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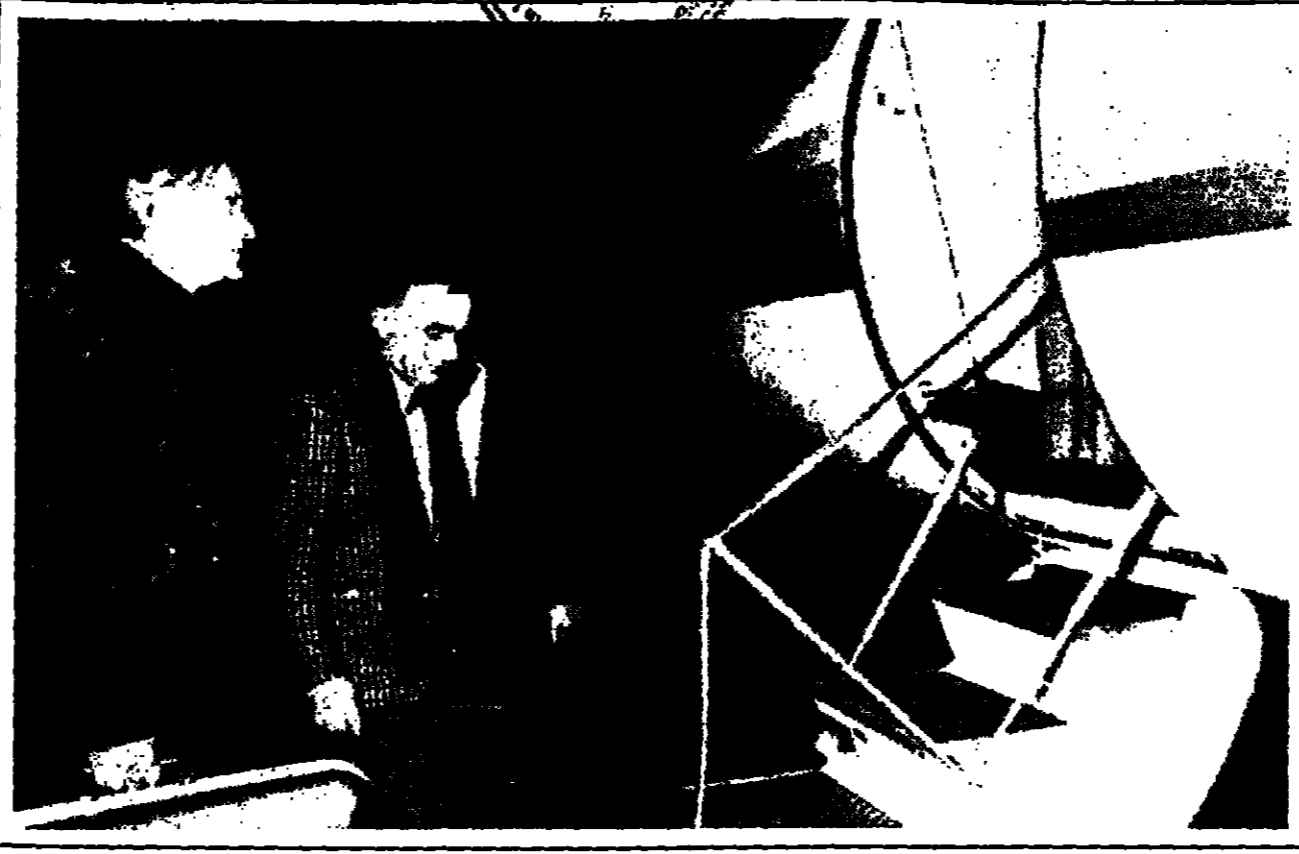
Published With The New York Times and The Washington Post

PARIS, TUESDAY, DECEMBER 1, 1987

ESTABLISHED 1887

Stock Markets Drop As Dollar Hits Lows

NEW YORK — Stock markets in the United States and abroad fell sharply Monday in reaction to another plunge in the dollar's value and worries about U.S. economic policy.



Paul Torri, second from left, the French consul in Iran, preparing to board a plane in Tehran on his way to Paris.

Gorbachev Sees 'Real' Chance of 50% Arms Cut

WASHINGTON — Mikhail S. Gorbachev, the Soviet leader, said in a television interview Monday night that "there are real prospects" of a 50-percent cut in U.S.-Soviet long-range nuclear missiles and that as long as President Ronald Reagan's program for a missile-defense system "does not run counter" to the Anti-Ballistic Missile Treaty, "that is not a subject for negotiation."

U.S. Sights Soviet Shift in Arms Policy

WASHINGTON — Declarations by Mikhail S. Gorbachev that "reasonable sufficiency" is the basis for Soviet military requirements — a departure from past policy — underlie the arms control positions that Mr. Gorbachev will bring to Washington and may foreshadow important shifts in Moscow's military concepts, according to U.S. and Soviet experts.

Reagan Brakes Currency's Slide By Calling Deficit Cuts 'Adequate'

By Ferdinand Prorzman International Herald Tribune FRANKFURT — Growing disillusionment with the U.S. budget deficit reduction package sent the dollar plunging to record lows against most major currencies on Monday before it recovered slightly on President Ronald Reagan's remark that the proposed measures were "adequate."

Paris Remitting \$330 Million for Hostages

By Jim Hoagland Washington Post Service PARIS — France is to turn over \$330 million to Iran in Vienna this week as a payment on a debt to conclude a secret accord that has led to the release of two French hostages in Beirut and the end of police blockades of the two nations' embassies over the weekend, an authoritative French source said Monday.

Poles Spurn Reforms In Blow to Government

WARSAW — Voters failed to approve political and economic reforms that would have meant painful price increases next year, the Polish government announced Monday. The result represented a stunning blow to the government General Wojciech Jaruzelski, which strongly campaigned for approval of the two questions put to the voters Sunday in the first referendum in Poland in 41 years.

Ethiopia Rebels Relent on Food

PORT SUDAN, Sudan (WP) — In a conciliatory announcement that may ease severe food shortages in northern Ethiopia, Eritrean rebels announced Monday that they would give relief agencies advance warning of their military operations.

Volcker Urges Nations To Avert Market Shocks

By Reginald Dale International Herald Tribune GENEVA — Paul A. Volcker, former chairman of the U.S. Federal Reserve Board, warned Monday of "potentially abrupt and disruptive market reactions" if Western industrial nations do not take coordinated steps to restore balance to the world economy.

Kiosk

Manfred Wörner of West Germany, was the sole candidate for NATO's top political post after Kaare Willoch withdrew. Page 4.



GENERAL NEWS ■ Cuban inmates holding hostages in Atlanta were briefed on the agreement that ended a siege in Louisiana. Page 3.

BUSINESS/FINANCE ■ PaineWebber will sell a stake of up to 25 percent to a Japanese insurance company for about \$300 million. Page 15.

Special Report In New Zealand, the government is mapping plans to make sweeping changes in its social policies. Pages 11-14.

Dow close: DOWN 76.93 The dollar in New York: DM £ Yen FF 1.6393 1.527 132.275 5.5805

The Great American Hero '87: Gorbachev

By Henry Allen Washington Post Service WASHINGTON — Just now, thanks to Mikhail S. Gorbachev, his nicely dressed wife, Raisa, and his glasnost and perestroika, the Soviet Union is the flavor of the month.



Vertical text on the left margin containing various notices and advertisements, including 'The Old', 'LOW COST FLIGHT', 'HOTELS', and 'Page 6 FOR MORE CLASSIFIED'.

Vertical text on the right margin containing various notices and advertisements, including 'NEW ZEALAND' and 'AUSTRIA'.

Atlanta Cubans Get Details of Accord, But Seem Unmoved

The Associated Press
ATLANTA — Cuban inmates holding 90 hostages at a prison here have been briefed on the agreement that ended a siege in Louisiana, but officials expressed little optimism for a quick resolution to the Atlanta standoff.

The briefing was given by three Cuban emigrant leaders, who visited the U.S. penitentiary in Atlanta late Sunday, said Patrick Korten, a U.S. Justice Department spokesman.

That afternoon, Cuban prisoners in Oakdale, Louisiana, surrendered after receiving promises of individual reviews of their immigration cases and no reprisals for the damage to the prison. The inmates released 26 hostages, whom they had held for eight days.

News of the end of the Oakdale siege was greeted with apparent indifference by the Cubans detained in Atlanta, officials said.

"There has been no reaction, no celebrating, nothing discernible," said another Justice Department spokesman, Thomas Stewart.

Before the resolution in Louisiana, four hostages in Atlanta were released.

Mr. Stewart said there had been no significant progress in talks with leaders of the more than 1,120 Cuban detainees in Atlanta. Nor, he said, was there reason to believe the Oakdale developments would affect the Atlanta standoff.

"We have no way of knowing what impact it will have," he said. "There has not been much indication throughout the uprising that there was any kind of linkage."

In Atlanta, he said, "by and large, it is more hard cases. The Oakdale detention center is something quite a bit softer in penal terms."

Also Sunday, officials announced that water had been turned back on at the Atlanta prison. It had been shut off Friday.

The end of the siege in Louisiana followed a videotaped appeal to the detainees by an auxiliary bishop, Agustin Roman of Miami, but officials in Atlanta said it was unlikely that the bishop would go there.

In Oakdale, nearly half the Cuban inmates were transferred Monday to other prisons.

The U.S. medical center for federal prisoners in Springfield, Missouri, received 66 Oakdale inmates Monday, said Keith Hayes, an administrative assistant there.

The Cubans rioted after a government announcement of the deportations to Cuba of 2,500 "undesirables" who arrived in the United States in the 1980 Mariel boatlift. Oakdale was seized Nov. 21. The Atlanta riot began a week ago Monday. The inmates demanded that they be allowed to remain in the United States.

In his videotaped message, Bishop Roman said he had reviewed a document offered by the government promising individual case reviews for those facing deportation.

The agreement also promised no reprisals for damage to the \$17 million prison, which was badly damaged by fires. Officials said it would be rebuilt.

Bishop Roman, the highest-ranking Cuban-born priest in Miami's Roman Catholic archdiocese, expressed willingness to work to end the Atlanta prison takeover if officials asked him.

The Oakdale agreement could be helpful in negotiations with the Atlanta inmates, said Rafael Penalver, Bishop Roman's lawyer and chief negotiator.

"I think it can be applicable and I think it's an agreement that when it was worked out it was perceived with a much broader picture than just the Oakdale situation," he said. "We were thinking of all the detainees of Mariel who are detained in several prisons around the country."

The agreement still could lead to some Cubans being deported to their homeland, Mr. Penalver said.

"What the bishop wanted to ensure was that we have a fair process in which each individual case could be reviewed before a panel that would listen to each individual story," he said. "Each of those Mariel detainees has a story and many feel that they have never had a chance to tell that story."

Mr. Korten, who is the Justice Department's deputy director of public affairs, ruled out an immediate invitation to the bishop to participate in Atlanta talks.

The agreement, typed on stationery from the office of the U.S. attorney general, Edwin Meese 3d, included guarantees of individual reviews of inmates' status and medical treatment for those needing it.

"We did not give away the store," said J.D. Williams, a regional director of the U.S. Bureau of Prisons. "I think it's a good agreement."

Mr. Meese, in a statement released in Washington, said, "While this is understandably a time of rejoicing and thanksgiving, the Department of Justice will not rest until the situation in Atlanta is also peacefully concluded and all the hostages there are released."



A Cuban detainee in Louisiana before the siege there ended.

Inmates: Young, Rural and Hardened

By Ronald Smothers
New York Times Service
ATLANTA — Many of the Cuban inmates in the federal penitentiary here are unsophisticated rural people who have been hardened by years in prisons for infractions as minor as disagreeing with the government of Fidel Castro while in Cuba or failing to pay traffic tickets in the United States, according to those who know them.

They see U.S. society through a haze of cultural differences, said Lilly Delgado, a volunteer with the Roman Catholic Diocese of Atlanta who visited some of the Cubans before they took over the prison early last week.

Over the years, that image has been distorted further by prison life and the sense that they have been forgotten. They are mistrustful and frustrated, she said.

Despite the frustrations, the men still retain some of the religious and family values they held in Cuba. Reminders of those values could be heard during the siege.

Speaking Sunday over a two-way radio, one of the inmates said he was "very sorry for the suffering" he and the other Cubans were causing their families and those of the hostages they held. He spoke of the detainees "praying every day" for guidance and added that all they wanted was to be freed.

For the most part they are in their 20s and early 30s. Most of them have served sentences for crimes committed in the United States but are still being held while their immigration status is reviewed. Until the United States revised an agreement with Cuba that would allow some to be deported, many thought they would eventually be freed in the United States.

A television cameraman who was admitted to the prison Thursday night said he went in expecting to see "rough characters" and instead saw "a lot of terrified kids."

Carlos, a 26-year-old inmate who since learning English at the prison signs his name "Charlie," said in a letter to his attorney earlier this year that he could not say what he would do if he were released or whether he would be able to adjust to U.S. society.

"I'd be like a new baby," he wrote. "I've never been on the streets before."

The lawyer, Fred Gleaton, would not give Carlos's full name. He said the man was been

least one detainee who had murdered someone in Cuba and had assaulted inmates in prison in the United States.

The lawyer said he had declined to take the case because the release of the inmate seemed unlikely and perhaps undesirable.

Another detainee, released two years ago, was accused of killing two nuns at a social service agency in Texas.

"There is no question that the group there now is a little different from the majority of the Mariel Cubans who were being detained in 1981 or 1982," said Dale Schwartz, an immigration lawyer. "All of these have had some prison time and committed some kind of crime here or in Cuba, while many five years ago had no such record."

Yet their crimes run the gamut, said Myron Kramer, a lawyer who has represented some of the Cubans. While it may be "a harder prison population than before," many of the inmates had led relatively stable lives before being sentenced for minor crimes, he said.

It was impossible to obtain a detailed breakdown of the crimes committed by the inmates in Cuba or the United States. But a June 1986 report on the Atlanta inmates by the U.S. Immigration and Naturalization Service said 403 had served terms for drug charges, 304 for burglary, 185 for assault, 130 for theft and 124 for armed robbery.

At least five had been accused of murder. Sixty were being held for weapons offenses, forty for violating the rules of halfway houses to which they were released and eight for driving without a license.

A handful were being held for food stamp fraud, fighting and drunkenness, vandalism, trespassing and shoplifting.

"Clearly many are nondangerous," said Mr. Schwartz. "But we haven't been dealing with them as individuals."

'There is no question that the group there now is a little different from the majority of the Mariel Cubans who were being detained in 1981 or 1982.'

— Dale Schwartz, immigration lawyer

Supervised Vote Urged For Haiti

Compiled by Our Staff From Dispatches
PORT-AU-PRINCE, Haiti — A presidential candidate called Monday for an international force to supervise voting in Haiti, where a terror campaign ended an attempt to hold free national elections.

At least 34 people died Sunday in election day violence, including more than a dozen killed at one polling place.

Silvio Claude, a Protestant minister and candidate of the Christian Democratic Party, said an international peacekeeping force should supervise elections unless the United States forces the junta to resign.

He said: "We call on a group of nations — the Organization of American States or the United Nations — to send multinational forces to conduct elections if the 'United States' — which he called 'the boss' of the junta — 'doesn't force it to step down.'"

The United States is often accused in Haiti of propping up the three-man junta led by Lieutenant General Henri Namphy.

On Monday, the United States said it was cutting off nonhumanitarian aid to Haiti because of the election fiasco.

In Washington, Walter E. Fauntroy, a Democrat who represents the District of Columbia in the House of Representatives and is chairman of the U.S. congressional task force on Haiti, said: "The only hope of the Haitian people is some sort of intervention by the international community with the leadership of the United States."

He said the world must intervene "or the Haitian people are lost to this gang of savage thugs."

Mr. Fauntroy said he had "eyewitness reports of people who were standing in line to vote being mowed down with machine-gun fire and then finished off with machetes."

The National Government Council, the junta, said it would remain in power for now. It suspended the Provisional Electoral Council, who were responsible for setting up the elections Sunday, which would have restored civilian rule.

General Namphy insisted that a new president would be inaugurated in February. He did not say when an election would take place.

Security remained high on Monday with troops stationed along the Boulevard Jean-Jacques Dessalines, the main commercial thoroughfare of the capital, and trucks filled with policemen and soldiers rolling through the city.

The Provisional Electoral Council canceled the elections after bands of roving gunmen fired at voters in polling places.

Following the cancellation, the nine members of the council were dismissed by the government and have taken refuge in Western embassies, Radio Métropole, a Port-au-Prince station, said.

The military junta has ruled Haiti since shortly after Jean-Claude Duvalier fled into exile on Feb. 7, 1986. Mr. Duvalier succeeded his father, François Duvalier, whose election in 1957 began a 29-year reign by the family.

In a statement issued in Washington, the State Department said it was halting nonhumanitarian aid in response to the action of Haiti's provisional government in "dissolving the Provisional Electoral Commission and abrogating all electoral legislation."

Meanwhile, in Paris, Mr. Duvalier, who is living in France, appealed Monday for "general reconciliation" in Haiti and denied any involvement in the election violence.

In a statement issued through his lawyers, Mr. Duvalier expressed his "immense sadness at the clashes currently taking place."

His statement came after the French government expressed "consternation" at the cancellation of the elections.

The French Foreign Ministry denounced what it called "strong-arm tactics inspired by elements linked with the former dictatorship" of Mr. Duvalier.

(UPI, NYT, AFP, Reuters)

action violence

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Disrupted by Strike

International Herald Tribune access to the Lomé Convention

icy Under Gorbachev

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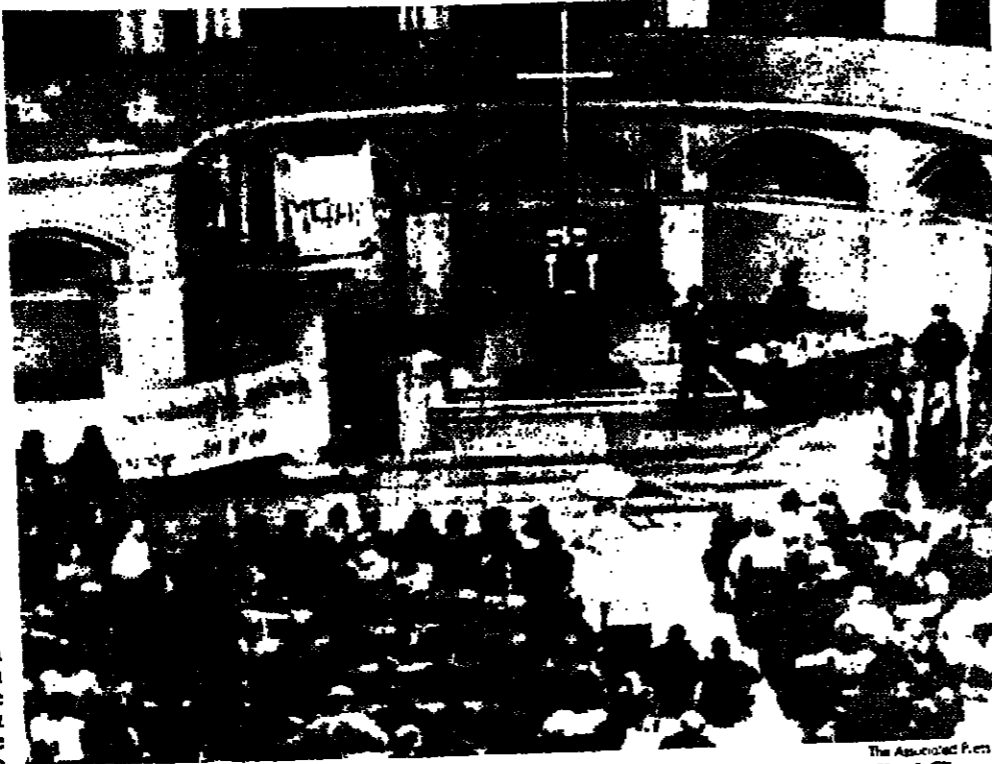
East Germans Debate Limits of Church Activists

By Henry Kamm
New York Times Service

BERLIN — Candles were burning Saturday evening in Zion Evangelical Church in East Berlin, and bunches of flowers were tied to a metal fence outside. Young men and women were holding a protest vigil, while uniformed policemen patrolled outside and secret policemen mingled with the onlookers.

The vigil began after the police raided the parish house on Nov. 24, arrested two members of a peace and ecological group operating under church auspices, and confiscated printing equipment, as well as printed material that was termed "hostile to the state."

The two men were freed Sunday, but church advocates said the vigil would continue until the equipment was returned and until reported criminal investigations against church activists were halted.



The Associated Press

About 400 people took part in a vigil to protest a police raid at the Zion Evangelical Church in East Berlin, where two persons were arrested and printing equipment was confiscated.

The crackdown, occurring at a time when a milder wind from Moscow is blowing through the Communist bloc, has shocked East Germans and provoked debate within party circles, according to Communist Party members.

At the same time, it has prompted a soul-searching among leaders of Protestant churches, under whose protection a widespread protest movement has sprung up in East Germany.

Churchmen sympathize with

most of the aims of the young critics of the regime but fear that some are taking shelter in their churches without fully sharing their Christian ideals, and are endangering the relative tolerance that dissidents have secured under the aegis of religion.

The newsletter published by the Zion Church Peace and Environment Circle has been critical of what its members consider the restrictive human rights policies of the government of President Erich Honecker, the party leader.

Nevertheless, dissidents and churchmen say the police action was not so much aimed at this newsletter as at a more radical one known as Grenzfall, which is not affiliated with the church but may have been produced on the same printing equipment.

"We have nothing to do with Grenzfall," said the Reverend Günter Krusche, whose title of general superintendent makes him the equivalent of the Evangelical bishop of Berlin.

Mr. Krusche was careful not to disavow the views of the more radical paper, whose title means "borderline case." But he expressed doubt over the effects of implicating the church in its publication.

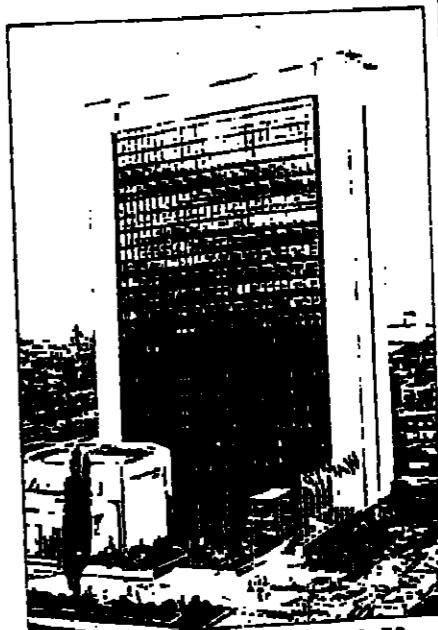
"Our critics say, 'Jesus was here for everybody, but you threw them out,'" the bishop reflected. "We don't, but the church should stay the church. The task of the church is not the same as that of the political opposition."

While dissidents and the state were confronting each other on church grounds, an earlier intrusion into the Zion church was the subject of a trial that began Friday.

Four members of a gang of young neo-Nazis faced an East Berlin court for having raided the church during a rock music concert last month. They are accused of having beaten members of the audience with bottles and of having vandalized church property while shouting Nazi slogans.

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Pressure Is Growing on Waldheim to Resign

VIENNA — Pressure is growing on President Kurt Waldheim of Austria to resign as an international commission reconvened Monday to examine his war record.

The six-member commission,

which is funded by the Austrian government, began its third meeting to investigate whether Mr. Waldheim, a former United Nations secretary-general, was involved in war crimes while serving in the German Army during World War II.

His supporters have contended that Mr. Waldheim would be forced to resign only if the commission showed beyond doubt that he was personally involved in war crimes.

However, several members of the commission have indicated that they would reject such a narrow definition of guilt, and might include knowledge that war crimes were being committed, a charge that Mr. Waldheim also has denied.

New Zealanders Report 8th French Nuclear Test

WELLINGTON, New Zealand — France conducted its eighth underground nuclear test of 1987 on Monday and the 90th such since it began testing at Mururoa Atoll in French Polynesia in 1975, the New Zealand government said.

Russell Marshall, minister for disarmament and arms control, said the explosion was detected by a New Zealand monitoring team on Rarotonga on the Cook Islands and had a yield of 3 kilotons.

France never confirms nor denies reports about its nuclear tests.

Previously, the Vienna section of the party also called for Mr. Waldheim's resignation.

The commission meeting also coincided with an apparent change of heart by the newspaper Die Presse, which has begun publishing articles more critical of Mr. Waldheim. Die Presse, an influential Viennese daily, has been a supporter of the beleaguered president.

The commission, headed by the Swiss military historian Hans Ru-

dolf Kurz, is expected to issue its report in mid-January.

Mr. Waldheim already has said he would not regard the commission's conclusions as binding and dismissed speculation that he would be forced to resign as "nonsense and unfounded."

The report added that Mr. Waldheim "has been saying that he does not regard the panel's conclusions as binding, that his conscience is clear, and that he does not intend to resign."

ATHENS — A moderate earth tremor shook the central Greek city of Volos on Monday but there were no reports of casualties or damage.

Ecuadorans to Antartica

QUITO, Ecuador — The first Ecuadorian expedition to visit Antarctica was to leave Tuesday aboard the research vessel Orion on a mission to investigate the seabed surrounding the frozen continent and to set up a permanent camp to house future Ecuadorian teams.

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ARTS / LEISURE

Ivana Trump: A Gaudy Life in the Casino



Ivana at work: 45 limousines "for the high-rollers."

ATLANTIC CITY, New Jersey — On the face of it, Ivana Trump looks too good to be true. She is 38, blonde and beautiful, the mother of three handsome children and the wife of one of the most interesting entrepreneurs in New York, Donald J. Trump. She also

HEBE DORSEY

commands three impressive estates, the 114-room Mar-a-Lago in Palm Beach — which belonged to Marjorie Merriweather Post, the Post cereal food heiress — a 38-room house in Connecticut, a \$10 million triplex in Trump Tower — and the ultimate toy, the Nabila, a yacht once owned by Adnan Khashoggi, which the Trumps acquired from the Sultan of Brunei for \$31 million.

So when one hears that Ivana Trump is a hard-working woman, the vice-president of the Trump Organization and CEO of one of its three Atlantic City casinos, Trump Castle, one tends to be skeptical. Yet, beyond the glitzy exterior and the millions of dollars,

Ivana Trump comes out as a serious executive who has to be one of her husband's most precious business assets.

A native of Czechoslovakia, the only child of a successful engineer, she joined the 1972 Czechoslovakian Women's Olympic Ski Team. Shortly afterwards, she emigrated to Canada where she became a fashion model. She met her husband at the Montreal Winter Olympic Games and they got married in 1977.

In the beginning, Ivana Trump, who has a decorating degree from New York's Fashion Institute of Technology, was largely confined to interior design. But when her husband opened Trump Castle in 1985, he put her in charge. She was not new to the job. For the previous two and a half years, she had learned the ropes at the Trump Plaza casino.

Now, she commutes to work by helicopter every Tuesday morning and comes back Thursday evening. The Trumps have 10 small helicopters plus a big one, the "Super Puma." Add to that 45 limousines "in all colors, including silver and

gold, for the high-rollers. I once made the mistake of sending a white one to Japanese customers and they turned it down. In Japan, white is the color of mourning." The Trumps also have jumbo jets coming every day from Canada, Washington and Florida to bring in other gamblers.

Trump has made a distinct suc-

'I know exactly who was there last night, how much they lost.'

cess of Trump Castle. In the first three months of 1987, Trump Castle showed a gross operating profit of \$18,227,000 on revenues of \$64,459,000 or a 28.3 percent return.

"Our hands-on-style management and our strong belief in operating the Castle like a family business have led to this splendid first quarter," Ivana Trump said. "There's a lot of hard work," she added. "This is a business where

you work seven days a week and 24 hours a day. I've gotten phone calls at 4 A.M. to approve credits for players over \$100,000." How does she decide? "It's all in the computers. I know exactly who was there last night, how long they played, what was the average, how much they lost."

The three Trump casinos have 13,000 employees and Trump Castle has 4,000 with a weekly payroll of \$1.2 million. Trump's mornings start with going over the daily casino and 600-room hotel revenues. "Then I go and sign every single check that comes out of this property. After that, I have a meeting with my vice presidents and we go over everything — finance, market-

ing, food and beverage, transportation, entertainment." The latter includes a \$1 million Las Vegas show that is revamped every six months. Trump also recently approved a \$200,000 budget for Christmas decoration. Her afternoons are spent wandering around the hotel and casino, making sure everything is fine. "That keeps me in shape," she said. "We deliver a package fit for a king" or "A royal feast to

that casino every day. A third of them come aboard 150 buses from all over the East Coast. Each customer gets a free ride, food coupons and \$30 in chips. Another third of the gamblers drive in, and the others are the high-rollers who get VIP treatment.

Trump puts down European casinos as "toys which are not making any money." Indeed Trump Castle is big bucks but Monte Carlo chic it is not. Everything is on a gigantic scale. Ten restaurants serve 13,000 meals a day. The 25,000-square-foot ballroom (about 2,300 square meters) can accommodate 1,500 people. There is nonstop entertainment in five lounges.

As for the decoration, it is beyond the gaudy. The immense hall is decorated with models of medieval gold castles, pieces of armor and banners embroidered with figures of knights and other medieval characters. The lines underneath read "You're the king" or "At your service." The goodnight chocolates are lip-shaped and the publicity lines read, "We deliver a package fit for a king" or "A royal feast to

satisfy the most discriminating noble taste." I was given a chocolate record, which read "For the record, we think you're terrific."

But Trump, who was wearing a chic red Dior suit during the interview, knows what she is doing. "The casino business is not the Plaza Athénée. Our name is Castle so we have to create the spirit that goes with it. At Christmas, we have people walking around in medieval costumes. We can call them the 'Castle Characters' and their job is to go around and entertain our guests."

Her customers, Trump added, love it. "When they come here, they are walking into fantasy land. Brown and beige they can have at home."

With all of this she has not lost the knack of being a good daughter. Her father had always wanted a red Porsche, but when he reached 50 he thought he was too old, that it would make him look like a gigolo. But then, when he was 60 and had not been very well, his daughter called and said to him, "Look out the window." And there was the red Porsche.

Harvard on Stage With Advanced Theater Training

By Robin Pogrebin
New York Times Service

CAMBRIDGE, Massachusetts — Over the last 200 years, Harvard University has been producing lawyers, doctors and business professionals. Now, it is also producing actors, directors and designers — and they are producing plays.

This fall marks the beginning of the American Repertory Theater Institute for Advanced Theater Training, a two-year program to prepare students for the professional theater.

The institute, one of a growing number of theater training programs around the United States, is the brainchild of Robert Brustein, founding director of the American Repertory Theater and the Yale Repertory Theater.

When Brustein proposed the program in 1979, Harvard turned it down; the reason given was that the university did not offer any comparable program for undergraduates.

That was remedied in 1980 when theater courses were introduced into the undergraduate curriculum. They proved so successful that Harvard agreed to offer advanced

studies, and the institute was established with the help of a \$250,000 grant from the Educational Foundation of America.

Now, after a trial year, Brustein couldn't be happier. "We need, for our theater, young people who share both the training and the vision and the aesthetic of our company," he said. "They need to feel

'It's a program that is thoroughly conceived within the activities of a resident theater.'

there's a place for them where they can work, free of the pressure to succeed."

It is these principles that inspired Richard Riddell to accept a position this year as director of the institute and associate director of the ART. The theater is a non-profit organization that began at Yale University under Brustein and is now in its ninth season at

Harvard's Loeb Drama Center in Cambridge.

Riddell will bring his extensive experience in lighting design — he received a Tony Award for the Broadway production of "Big River" — to Brustein's production this season of Pirandello's "Right You Are (If You Think You Are)."

Brustein is pleased to be working with Riddell. "I felt I'd found not only a new friend, but a kindred spirit," he said. "I'd been chasing him down, hoping he would say yes to come here."

Riddell, however, didn't need to be chased. "The more I became involved, the more attractive this situation became," he said. "It was new, yet it had a tradition to it of 20 years — a clear and strong aesthetic about theater."

Riddell described this aesthetic as dedication to repertory theater, "to the presentations of classical works interpreted by a contemporary mind as well as to the presentation of innovative new work by both the playwrights and by others."

This air of professionalism, however, does not preclude an emphasis on process. "It's not a museum

— it's a kind of laboratory, a place for ferment," said Riddell. "Institute, I think, is a great word. It has connotations of research to it."

Indeed, Brustein said, the program is flexible. Whereas training at other drama schools usually follows a clear progression — realism, verse, post-modern — the curriculum at the institute is intended to change from year to year according to what type of plays the theater plans to do and what outside artists are available to participate.

Next year, for example, when Andrei Serban directs a play by Carlo Gozzi, an 18th-century Italian dramatist, students will spend three months studying the commedia dell'arte technique used in the play. "The faculty is the company," said Brustein. Currently, Jeremy Geidt is teaching a mask class by day and performing in Pirandello's "Six Characters in Search of an Author" at the ART by night.

In addition to the regular faculty, the repertory theater has artists-in-residence, all of whom will devote some time to the institute while they are working with the company. For example, while his play, "Gilette," the first of the the-

ater's season, was in rehearsal, William Hauptman discussed it with dramaturgy students, those being groomed for positions as literary managers at resident theaters.

Just as the institute draws from the repertory theater for instruction, the repertory theater draws from the institute for productions.

"It's a theater program that is thoroughly conceived within the activities of a resident theater community," said Riddell, "as opposed to one that is harshly conceived of in an academic setting."

The acting classes consist of voice and movement as well as acting. Bonnie Raphael, the voice coach, teaches such elements of technique as breathing, dialects and scansion. She works with students on releasing the rib cage ("that's where your primal screams come from"), loosening the lower jaw (in order to reach "the guys in the cheap seats") and integrating emotional complexity with physical control.

The students spend part of Serban's three-hour workshop experimenting with long bamboo poles — what Serban calls "the sticks" — in mimicking one another's motions

"to create a warm-up of the body, which is not mechanical," intones Serban, "and a warming up of the imagination as well."

While at first such dramatics may seem like only pantomime, the students find it invaluable.

In Geidt's class, the students practiced slapstick — tripping forward while trading waiter trays, falling backward without bending their knees — and then they put on masks. "Don't make up your mind what the mask looks like," Geidt admonished, "put it on your face."

It is an exercise in "what the external does to the internal," said Geidt. "The mirror is basically their text."

After experimenting with the masks in the mirror, the actors rummaged through costumes — strewn about the room — to help complete the characters they had created. One zipped into a fat suit and became a bumbling vagabond; another was transformed into a dazed drunk as she strutted about in slittie heels. Putting on a mask is paradoxical, explained Geidt: "You think that it confines, but in fact it releases you."

DOONESBURY



The UNICEF Solution to Save Thousands of Babies Daily.



One of the most important single factors responsible for the death of three and half million children a year is not drought or famine. It's dehydration caused by diarrhoea. Until recently, the only known treatment for dehydration was an expensive intravenous drip — available only to the fortunate few in the developing world who live near a hospital or clinic. But now there is a solution that works almost instantly, costs almost nothing and is available to nearly every family. It is a ten-cent sachet of Oral Rehydration Salts; a simple mixture of salt and sugar that, when combined with water, quickly replaces the vital fluids drained by diarrhoea. Today this miraculous

solution saves the lives of over 1,300 children in the developing world — daily. And a lot more could be saved.



This type of primary health care is only one example of Unicef's commitment to the well-being of children in the developing world. In co-operation with local government partners, Unicef provides not only emergency relief, but material support, primary health care and education programmes, which promote long-range community self-help. That is why Unicef gives children not just a food parcel for the day, but a survival kit for many years.

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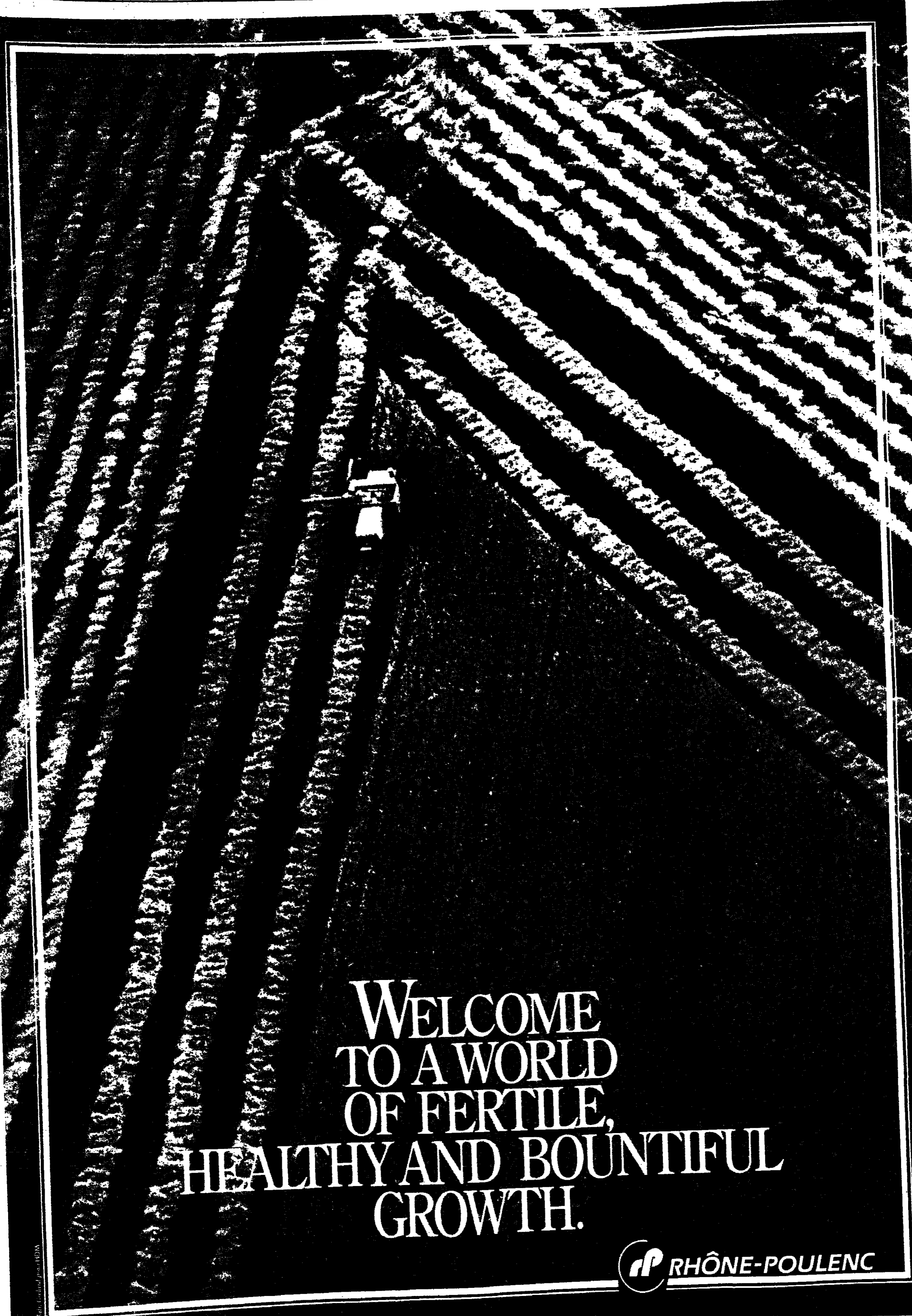
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Revenge of the Duvaliers

The Duvalier dynasty may have been expelled from Haiti, but its baleful influence lingers. The elements that gained their privilege under the Duvaliers, with their guinst and their anti-democratic ways, scored a grim victory during the weekend. They brought a level of terror and violence that forced cancellation of the elections that offered Haiti its only prospect of loosening the deadly grip of the past.

fashion to ensure even minimal conditions of order during the run-up to the elections and on election day. The electoral council itself has a claim to moral authority, but it did not have the resources to make this claim prevail in the chaos that is Haiti today. The government dissolved it on Sunday. What is clear from the derailment of the voting, however, is that there is no substitute for free elections. The electoral process was and is Haiti's lone hope for emerging somehow from its current despair and articulating a plan for its future.

—THE WASHINGTON POST.

Glasnost or Secrecy?

Mikhail Gorbachev's policy of openness, or glasnost, fills Western news columns with unimaginable scenes: An actress, on stage, decries the fall of Boris Yeltsin, the Moscow party boss. The émigré dancer Rudolf Nureyev returns to visit his sick mother. U.S. scientists inspect Soviet chemical weapons plants, and Soviets return the visit.

lives has been spent on the abnormal ups and downs of hope and disappointment that are a refusenik's plight. The Zimans believe they are denied permission to leave because Yuri refused KGB requests that he become an informer. In a process of which instead of law, grudges are as good a reason as any.

—THE NEW YORK TIMES.

What the Money Buys

A French customs plane spotted the ship off the coast of Brittany, and when it entered French waters the pilot noticed that the five-man crew had put on wet suits, inflated a dinghy and were apparently getting ready to abandon ship. The pilot thought they might be smugglers or drug dealers who had seen the surveillance plane and decided to make a break for it.

sives wired and ready for detonation. In the hold were 10 Soviet machine guns with anti-aircraft gun mounts, 20 missiles, 1,000 Kalashnikov rifles, 50 tons of ammunition, two tons of plastic explosive and hundreds of grenades. The French, British and Irish governments are convinced of the obvious: These supplies were being sent by the Libyan leader, Moammar Gadhafi, to the IRA.

—THE WASHINGTON POST.

Beware of AIDS Tests

Present tests for the AIDS virus antibody are highly accurate. Yet if applied to the population at large, they could falsely brand nine people infected for every true case identified. President Reagan's AIDS commission had better be sure it understands this treacherous paradox if it intends to recommend widespread testing.

mates by Lawrence Milke of the Congressional Office of Technology Assessment. The U.S. Army has been testing military recruits, a low-risk group, for two years. Its chief tester, Colonel Donald Burke, believes that the rate of false positives is less than one in 100,000 people tested. But the army is able to insist on unusually rigorous standards from its testing laboratories. Civil authorities setting up mass screening programs would reap many more false positives. Not only is the Western blot test for AIDS antibodies very difficult to perform, but there is not yet a generally agreed way to interpret its results.

—THE NEW YORK TIMES.

Untie the SDI Knot With an Offer of Joint Research

By Richard M. Cyert and Jean-Jacques Servan-Schreiber

PARIS — Negotiations with the Russians on elimination of nuclear weapons have stumbled repeatedly on the Strategic Defense Initiative. Now the SDI casts an ominous shadow on preparations for the coming U.S.-Soviet summit meeting.

Mutual distrust is causing both countries to stay in a state of ruinous military preparedness, bleeding white their potential for wealth-creating economies and ultimately endangering the very existence of the world. Reduction of this mistrust is necessary if we are to make any progress.

come to take action leading to a serious, mutually acceptable approach to the "space shield" and so to an increase in the level of mutual trust. Such an initiative should not be improvised at the last moment. The stakes are too high. It should be clearly stated and openly discussed.

proposal, instead, is that the research itself on space systems of defense should become a joint U.S.-Soviet project — an ambitious, highly scientific defensive project in which the two sides participate jointly.

veloped in the United States between many people in academic life and the government. It would progressively slow down the arms race and so liberate, at long last, crucial resources for the stalled "knowledge economy."

Mr. Cyert is president of Carnegie Mellon University in Pittsburgh. Mr. Servan-Schreiber, a former French cabinet minister, is chairman of the university's International Committee. They contributed this comment to the International Herald Tribune.

A Post-Nuclear Era Means Big Change for the West

By Edward N. Luttwak

WASHINGTON — The danger for the West is that the Soviet Union may be better prepared for the post-nuclear era than it is.

assumptions. Each then would require structural or operational remedies, ranging from the decentralization of stores and repair depots (now all highly centralized for efficiency under the nuclear assumption) to the restoration of predominantly reservist ground armies to oppose similar Soviet forces.

goals could be legitimately pursued by acquiring some new capabilities while limiting other avenues of development by agreement or unilaterally. What mattered was to maintain an advantageous balance between nuclear acquisitions and nuclear limitations. Now, in contrast, arms control measures that deliberately accelerate denuclearization must be balanced by conventional-force acquisition, or by other, non-nuclear arms control measures that reduce operational imbalances in the various theaters of interest.

priority assigned to defensive as well as offensive "strategic" nuclear capabilities perhaps should be increased. The worst outcome would be to slide into a post-nuclear world with nuclear forces that are largely irrelevant and non-nuclear forces that are structurally inadequate.

The writer holds a chair in strategy at the Center for Strategic and International Studies and is the author of "Strategy: The Logic of War and Peace." This comment was adapted for The Washington Post from a longer version appearing in the winter edition of The Washington Quarterly.

Why Jews Will Mass for the Summit

By Natan Sharansky

JERUSALEM — One of my first gulag cell mates was a professional swindler. After a career of enterprising scams, Leonid had exhausted his opportunities for "work" in the Soviet Union. As he served his sentence, he was studying English with the hope of someday living in the United States.

There are those who say that this is the wrong time for an appeal on behalf of Soviet Jews, that a demonstration may undermine the prospects for peace, that it could encourage Mr. Gorbachev's opponents, that it might squander an historic opportunity.

There are those who say that this is the wrong time for an appeal on behalf of Soviet Jews, that a demonstration may undermine the prospects for peace, that it could encourage Mr. Gorbachev's opponents, that it might squander an historic opportunity.

The writer, formerly Anatoli Shekaransky, was deported from the Soviet Union in February 1986 after nine years in prison. He contributed this to The New York Times.

American Voters Will Add Up Real Gains in the Missile Pact

By Tom Wicker

NEW YORK — All Democratic presidential candidates, to varying degrees, support the arms control treaty that Ronald Reagan and Mikhail Gorbachev are about to sign. All Republican candidates except Vice President George Bush oppose the treaty, or are reserving judgment.

can reach far into the Soviet Union. Thus it threatens the Russians with a devastating strike against their command system and important military outposts — which means, in turn, that these U.S. missiles offer a tempting target for a pre-emptive Soviet strike. Elimination of this weapon from the European scene would ease the level of military tension in any East-West political crisis.

South Asians Have an Association to Reckon With

By S. Nihal Singh

NEW DELHI — The main significance of the third summit of the South Asian Association for Regional Cooperation, or SAARC, is that it was held.

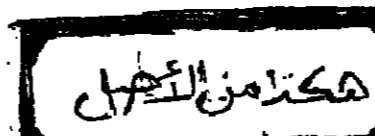
members was particularly enthusiastic about importing a major symbol of superpower conflict into SAARC, and although the issue was resolved after a fashion by postponing it, India was left holding the baby.

India's opposition to such an arrangement was tight and inevitable because it does not answer the problem of Chinese nuclear capabilities.

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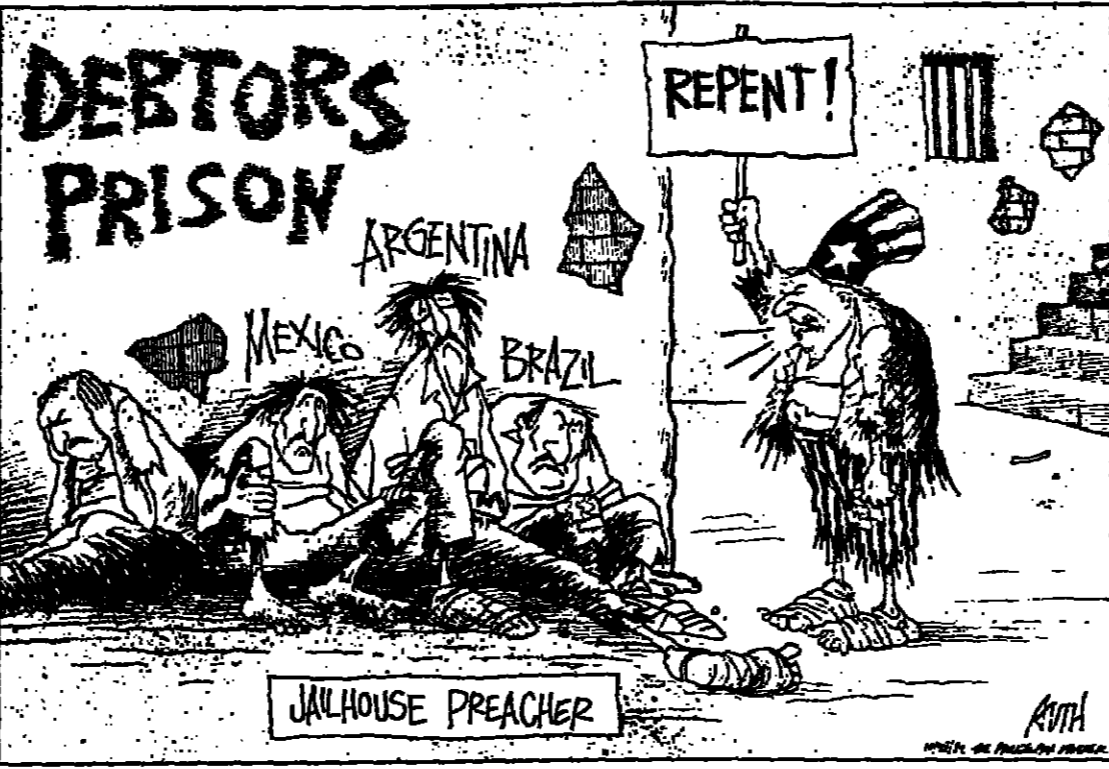


OPINION

Nonviolence Is Unwelcome As a Palestinian Weapon

By Anthony Lewis

BOSTON — In a region of extreme violence, Mu'arak Awad is a curious political being. He is an Arab, born in Jerusalem, who tells fellow Palestinians that nonviolent methods offer the best hope of ending Israel's 20-year occupation of the West Bank...



LETTERS TO THE EDITOR

For the Third World, \$20 Billion Is a Meager Handout

Regarding the opinion column "Japan's 'Marshall Plan' Needs Work" (Nov. 20) by Hideki Tamazawa: The \$20 billion that Japan has considered lending and investing in the Third World over the next three years is paltry when compared to the hemorrhage of funds pouring out of these countries...

Not So Easily Done

Regarding "Four-Fifths of the Population Then Roved Home to Cuzco" (Meansville, Nov. 24): In writing that the Bounty mutineers settled Pitcairn Island along with "six Haitian men" and "12 Haitian women," William F. Buckley Jr. has managed to confuse Tahiti with Haiti...

Are Japanese Comic Books A Sign of National Doom?

By Tamotsu Sengoku

TOKYO — More than 70 percent of Japan's high school students read comics, compared with less than 20 percent in the United States, according to a survey conducted by the Japan Youth Research Institute, which I direct. The figures also show that Japanese adolescents now admire anti-heroes and

MEANWHILE

goof-offs rather than the once popular fictional sports stars. Both Japanese and American high school students say their studies are what they talk about most at school. Next are nonacademic topics such as professional sports, fashion and popular music, which are discussed with nearly equal intensity in both countries...

Torture as Policy?

OVER the last 16 years, thousands of Palestinian Arabs from the occupied West Bank and Gaza Strip have been convicted by Israeli courts of terrorist activities and other security offenses. In many of these cases the primary evidence was provided by confessions. Now an official Israeli commission has found that agents of the domestic intelligence agency routinely used "physical pressure" to wring confessions from suspects.

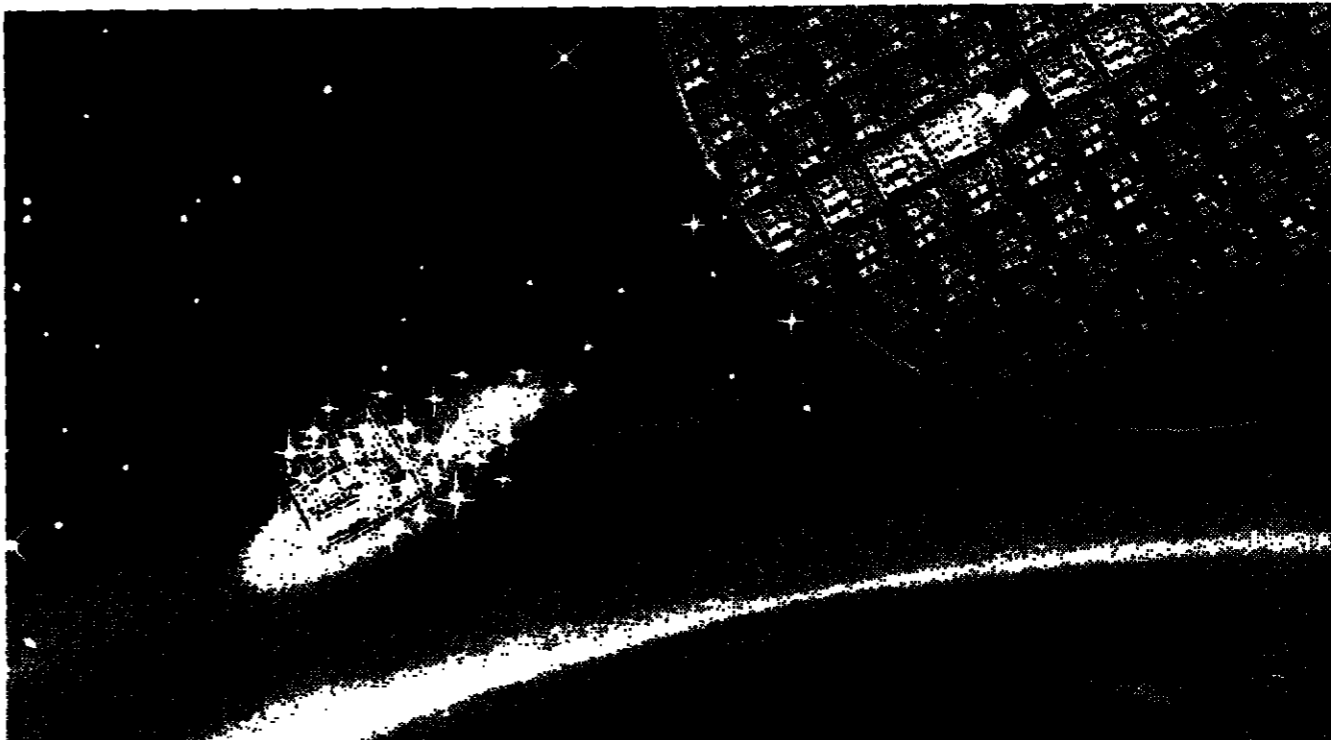
U.S. Traders Have Leverage

William Pfaff's column "For a Big Program to Expand American Exports" (Oct. 29) is first I have seen in upper ranks of journalism about the potential role of the American Chambers of Commerce overseas in the U.S. trade picture. With 36 chambers abroad, the United States has potentially the most extensive private trade network of any country, but this potential has been ignored by too many American businessmen.

When Hostages Are Ignored

A hostage is worth what his own government or wealthy family considers he is worth. If his capture and detention are ignored, he loses much, if not all, of his bargaining value for his kidnappers, and may even possibly be released.

In June 1987, Philips confirmed its position as one of the world's leading manufacturers and suppliers of integrated circuits by announcing a major breakthrough in submicron IC technology: the development of a functional 1-Mbit SRAM (Static Random Access Memory) chip measuring only 90 sq. mm. and containing over 6 million transistors. In fact the low power consumption, fast access speed and high packing density of this minuscule silicon chip make it the most advanced submicron device of its type in the world.



Philips has a lot to say about a little bit.



Little bits of silicon are also used in the Philips Smart Card - although the processing power required is, of course, much less than that of the superchip. The Smart Card contains a microchip within its plastic cover to provide both security and intelligence. In fact, the Smart Card is a tiny personal computer which can be programmed for a variety of cardholder services.



NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 p.m. volume, NYSE prev. close, Amex 4 p.m. volume, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Class, Prev., High, Low, Close, Chg.

NASDAQ Index table with columns: Close, Chg., Week Ago, Year Ago

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

12 Month High Low Stock table with columns: Div., Yld., PE, 12M High, 12M Low, Close, Chg.

MARKET: Shares Slide as Dollar Hits Lows. (Continued from Page 1) down 37 points to 1322.60, a drop of 2.7 percent. In Paris, French shares ended lower in moderate trading with the main Bourse indicator posting a late 2.50 percent decline from Friday's close. In Zurich, share prices closed lower across the board. The all-share Swiss index was 2.8 percent below Friday's close. Analysts in New York said that the NYSE index of 20 transport stocks registered a warning about the U.S. economy. The index fell more than 51 points to 677, for a 7 percent decline, a greater percentage fall than the other stock indices. "The larger indices are diluted by noncyclical stocks," said Byron Wein, portfolio strategist at Morgan Stanley and Co. "But the transport index can be viewed as a pure cyclical group." Cyclical stocks move in conjunction with economic cycles. "At this point," said Robert Sinche, chief economist for Simms Capital Management, "investors perceive that there is more chance of a recession than they had previously believed." He said the view had again emerged that the Federal Reserve will have to defend the dollar by tightening monetary policy, which would lessen the liquidity needed to fuel economic growth. Mr. Sinche said that the market grew more pessimistic last week when the dollar continued to fall despite cuts in short-term interest rates by West Germany, France, Belgium and the Netherlands. "All eyes are fixed on the dollar now," said a senior Dutch broker. "If it goes further, stocks will crumble. If it remains stable, stocks will fall. Only if it rises substantially will stocks creep up again." Wall Street brokers had been expecting a sharp early fall Monday in reaction to the dollar's decline and the inability of the market to make its usual advance in the two days around Thanksgiving. But the size of the fall seemed to catch many by surprise. Alfred Goldman, a stock market analyst with A.G. Edwards & Sons Inc. in St. Louis, attributed "a good part" of Monday's decline to "the growing awareness that we've got a rudderless nation right now." He said that financial markets, after having time to study the \$76 billion in federal budget cuts negotiated recently by the White House and Congress, decided the negotiators "came up with pathetic results." Hildegarde Zagorski, an analyst with Prudential-Bache Securities Inc., said that investors saw little reason to buy stocks. They fear that the drop in the dollar will mean higher inflation and higher interest rates affecting corporate profits and the economy as a whole, she said. Foreign exchange dealers blamed the dollar's decline on doubts about Washington's leadership and said traders were pessimistic about the implementation of the budget cuts, which still must be approved by the full Congress. "It's just the same old story, the deficit, the lack of leadership," said one dealer at a U.S. bank in Frankfurt. "There isn't any support for the dollar." (Reuters, AP)

12 Month High Low Stock table with columns: Div., Yld., PE, 12M High, 12M Low, Close, Chg.

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Large table of stock market data with columns: 12 Month High Low Stock, Div., Yld., PE, 12M High, 12M Low, Close, Chg.

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New Zealand's New Agenda

Remaking Social Policy

The Welfare State 'Is Up for Grabs'

By Colin James

WELLINGTON — Change has been deep and fast in New Zealand in the late 1980s, but there is bigger change to come, as the government maps plans to remake social policy.

The focus in recent years has been on the economy, as, first, Sir Robert Muldoon, who led the National Party to victory in 1975, tried to apply classic Keynesian intervention measures to keep the economy afloat with heavy borrowing and subsidies. Then came Roger Douglas, finance minister in the current Labor government, who advocated deregulation, privatization of state-owned enterprises and radical tax reform.

On the strength of Mr. Douglas's argument that the process was only halfway through, the Labor government of Prime Minister David Lange was elected for a second term on Aug. 15.

The re-election path was smoothed by divisions within the opposition National Party, as Mr. Douglas stole its free enterprise platform. The Labor Party was also aided by 18 months of rising real disposable income, which lasted until a few months before the election.

The economic downturn began in early 1987, long before the world stock market collapse of Oct. 19. But the speculative enthusiasm let loose by "Rogernomics" cooled on. When the crash came — it reached New Zealand on Oct. 20 — it was severe. There was a drop of 37 percent over three and a half weeks on the Barclays index of 40 leading stocks, by which time the market was 46 percent below its Sept. 18 peak. The end of the speculative boom, began to get into trouble. By Nov. 16, one had to be rescued and another was having serious problems with funding.

At the same time, inflationary pressures eased, allowing the government flexibility in its economic management. Mr. Douglas is now planning an economic package of more tax changes (company tax rate cuts but closing of loopholes), more tariff reductions, occupational delicensing and income maintenance changes, which include social security and unemployment benefits as well as family allowances.

But these changes are likely to pale beside the ambitious program now before the cabinet's Social Equity Committee, headed by Deputy Prime Minister Geoffrey Palmer.

He has declared that "everything is up for grabs" and wants to establish a set of "overarching principles" on which to base social policy. At one level, this takes the committee back to issues of moral philosophy. It is questioning beliefs long held by the Labor Party that the state ought to be the principal funder and provider of social services — health, education, housing and welfare — and that services ought to be available to all as a right, without a means test.

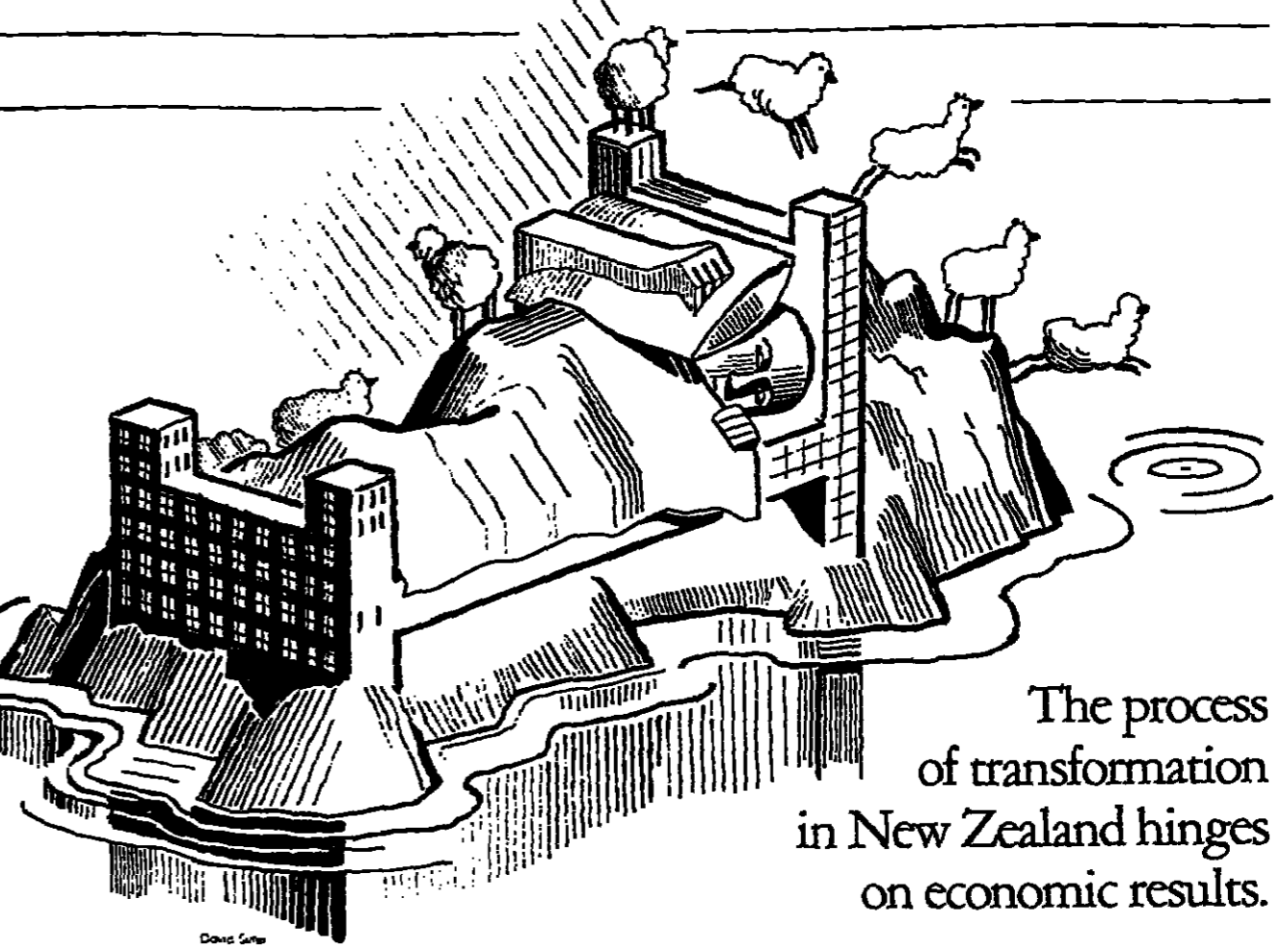
The initial stimulus for the review has been budgetary. Past borrowing has imposed a heavy debt-servicing burden, a quarter of government spending.

Mr. Douglas has been searching for ways not only to eliminate the budget deficit, now down to about 2 percent of gross domestic product from 9 percent in 1983-1984, but to begin repaying debt.

This underpinned his drive for efficiency in state trading enterprises and their conversion to corporations, and then his campaign to sell off part, then all, of some of those and other state corporations and companies — among them the Bank of New Zealand, Petrocorp and the Development Finance Corp.

He has also argued for greater efficiency in the delivery of social services, instigating a series of administrative reviews of them. The most controversial has been the health services, chaired by Alan Gibbs, an entrepreneur.

Leads from the Gibbs committee have hinted at recommendations of contracting out considerable chunks of the hospital services and even turning hospitals into corporations. That way, it is estimated, savings of up to 30



The process of transformation in New Zealand hinges on economic results.

percent could be made in hospital services.

The debate is over whether the government should continue to be both principal funder of social services (now by and large accepted by the cabinet committee) and the principal provider of the services.

In addition, in housing and some educational benefits, the government has begun to target the needy, thus moving away from the principle of universality, which has marked much of the social services philosophy since the introduction of social security in 1939.

In some cases, Mr. Douglas has introduced charges for services that were free. The most controversial has been a charge of one New Zealand dollar for prescriptions of otherwise free medicine.

All of this has angered Labor Party activists and unionists, who argue for state-provided, universal, free systems. They fear that market-oriented economics will be extended to social policy.

However, the budget question is only part of the social policy review. Efficiency competes with effectiveness as a catchword; Mr. Palmer's job is to marry the two. He thinks he will need at least two three-year terms to make the main changes.

Mr. Palmer has recently said that the committee had clarified its view that the state would remain a "central ingredient of the welfare state," indicating a wider role than Mr. Douglas would like.

Along with the shift on social policy, there are changes under way in the relationship between the two main races: the predominant Europeans and the Maori, who make up 12 percent of the population.

A 147-year-old treaty between the British Crown and Maori chiefs, considered of no legal force for most of the intervening period, is gaining increasing recognition both by the courts and in legislation.

The treaty is based on a principle of partnership, and some Maori interpret this as putting the two races on equal footing constitutionally, with equal access to power and resources.

The government has gone some way toward this by agreeing to give the Maori authorities a measure of control over government spending that directly concerns the Maori people.

The process of transformation in New Zealand hinges on economic success or failure. Economic policy changes have imposed severe social strains, dividing town from country and stretching income bands. Unemployment is climbing. If the stock market crash leads to a world recession or depression, it may send New Zealanders into retreat from change.

But one thing is clear: The government is so far committed to change — and it shows no sign of giving up.

COLIN JAMES, a journalist based in Wellington, is a regular contributor to The National Business Review.

IN THE NEWS

April 27: Howe Attacks Non-Nuclear Policy

Britain and New Zealand clash over Wellington's non-nuclear policy during a nine-day Asian and Pacific tour by Sir Geoffrey Howe, the British foreign secretary. Sir Geoffrey, who made Western concern for security in the Pacific the theme of his tour, said that New Zealand was abandoning its responsibilities by cutting itself off from the Western nuclear shield, a move that could lead to trade retaliation by members of the European Community.

June 4: Nuclear Ban Enacted by Parliament

Parliament adopts legislation enshrining the Labor government's nearly three-year executive ban on nuclear-powered and nuclear-armed warships and aircraft. The New Zealand Nuclear Free Zone, Disarmament and Arms Control Act formalizes a policy that last year brought an end to Wellington's 35-year security alliance with Washington. The legislation prohibits the deployment, testing and storage of nuclear devices and waste, and bars port visits by nuclear-powered ships.

Aug. 15: Labor Wins A Second Term

Prime Minister David Lange's Labor Party wins another three-year term in national elections with a 15-seat margin, the same overall majority it held in the last Parliament. Mr. Lange's party pledged to continue its program of economic liberalization and not to return to a military relationship with the United States.

Aug. 19: Lange Yields Foreign Ministry Post

In a move that surprised many observers, Prime Minister Lange gives up his post as foreign minister and takes over the education portfolio. Russell Marshall, a former Methodist clergyman once dubbed "the red reverend" by the previous administration of Robert Muldoon, is named foreign minister as well as disarmament and arms control minister, a post created in June.

Oct. 20: Government Sells Stake in Steel Industry

The government agrees to sell its 89 percent stake in New Zealand Steel Ltd. to Equiticorp Holdings Ltd. for 327 million New Zealand dollars (\$213 million). Equiticorp's chairman said the agreement required his company to make a full bid, at 44 cents, for all NZS shares within a week. The privatization move follows several others announced in the past year, including the government's plans to sell its 25 percent share of Air New Zealand.

IN THIS REPORT

Maori Revival 12
The resurrection of a 19th-century treaty with the British has given the Maori cultural renaissance a political dimension.

Foreign Affairs 12
Although the Rainbow Warrior episode has cooled down, relations with France are still troubled over Pacific issues.



The Greenpeace affair has ended, but friction with France continues.

Economic Outlook 13
The government has deregulated and deprotected, but inflation remains a threat to economic progress.

EC Watershed 14
Next year is likely to be crucial in New Zealand's trade ties with the Common Market.

Relations With U.S.

Nuclear Stand Keeps Former Allies Apart

By John M. Goshko

WASHINGTON — Fifteen months after the United States withdrew its security umbrella from New Zealand, relations between Washington and its former Pacific ally remain strained by continuing failure to resolve the dispute over New Zealand's refusal to accept port calls by nuclear-armed or nuclear-powered U.S. warships.

"We part as friends, but we part company as far as the alliance is concerned," Secretary of State George P. Shultz told Prime Minister David Lange of New Zealand. He made the remarks after they had failed at a June 1986 meeting in Manila to resolve differences over the meaning of the 1951 Australia-New Zealand-United States security treaty known as ANZUS.

Two months later, the United States formally ended the defense ties that date back to the South Pacific campaigns of World War II.

Last September, after Mr. Lange's Labor Party won a second three-year term, the new foreign minister, Russell Marshall, said that there was a possibility of resuming limited military cooperation. But U.S. officials quickly knocked down by U.S. officials who noted that the situation actually had worsened as the result of the Lange government codifying its policy last summer in legislation banning nuclear weapons from New Zealand.

Testifying before Congress in September, J. Stapleton Roy, deputy assistant secretary of state for East Asian and Pacific affairs, said the administration supports legislation that would withdraw from New Zealand certain preferential treatment normally accorded to close American allies.

Such action, Mr. Roy said, "would demonstrate to the government of New Zealand that Congress fully shares the administration's concern over the damage that New Zealand's policies have done to Western security interests."

In short, the Reagan administration remains outspoken about its annoyance and disappointment over New Zealand's position. But it also has made clear that it regards the breach in the relationship as a separation rather than a divorce and hopes for a reconciliation. Nevertheless, U.S. officials stress, if the impasse is to be broken, it is New Zealand that will have to give ground.

At issue is the strong anti-nuclear position that helped propel Mr. Lange's party to power in 1984. Its promise to keep nuclear weapons out of the country immediately clashed with the long-standing U.S. policy of refusing either to confirm or deny whether any American warships calling at foreign ports are armed with nuclear weapons or powered by nuclear reactors.

To U.S. officials, that policy goes far beyond the individual tie with New Zealand to involve fundamental questions of worldwide American naval strategy.

U.S. officials fear the ripple effects of

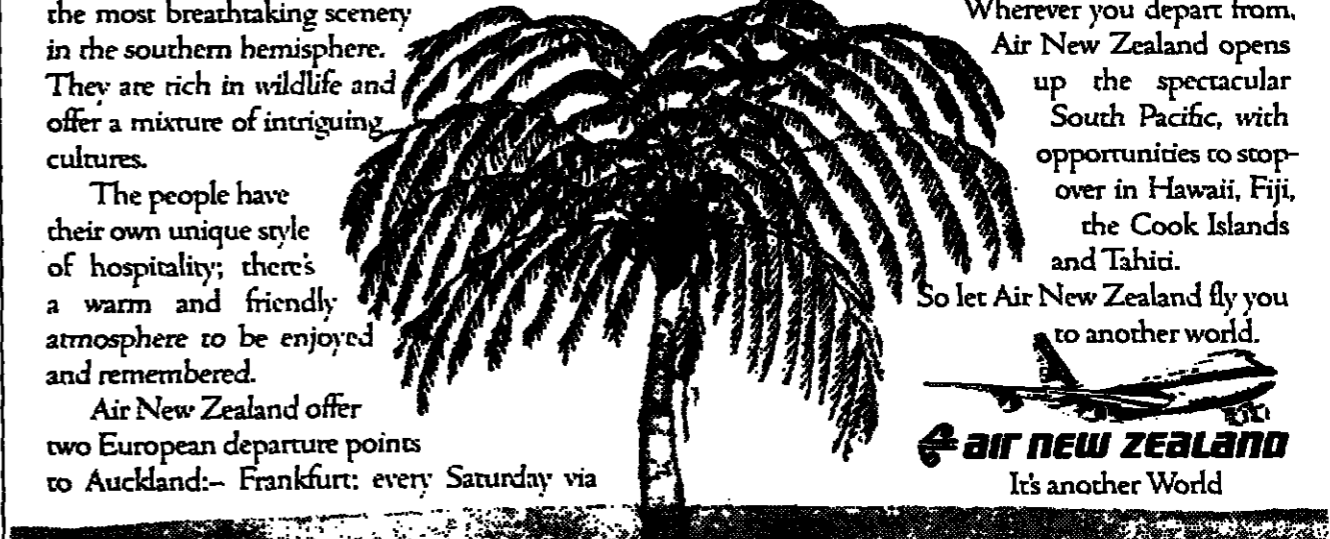
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Continued on page 12

Most Actives

Price	Low	High	Change
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00

AEX Stock Index

1987	Low	High	Change
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
200	200	200	0.00
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200	200	200	0.00
200	200	200	0.00
200	200	200	0.00



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Old Treaty Gives Maori Cultural Renaissance a Political Dimension

The Maori lost much of their land through wars, confiscations and legislation.

By Vernon Rice and Colin James

WELLINGTON—The major issue for New Zealand in the late 1980s is turning out to be race relations and sticking to a treaty made 147 years ago but which until recently has largely been ignored.

Under the Treaty of Waitangi, concluded in 1840 between the British and chiefs of the indigenous race, the Maori, sovereignty was ceded to the British Crown in return for a guarantee to the chiefs and tribes of New Zealand of "the full, exclusive and undisturbed possession of their lands and estates, forests, fisheries and other properties... so long as it is their wish."

However, until just a few years ago, few New Zealanders would have thought that the treaty could become a key to redefining the balance of power between the Maori and the country's predominantly white population.

Until recently, the treaty had been pronounced to have no force of law. However, a series of court decisions and legislative changes have begun to incorporate it into law and to give the Maori legal means of redressing longstanding grievances.

The Maori are demanding that the majority pakeha, as they call Europeans, honor the prin-

ciple of partnership between the two peoples that the treaty expressed.

Last April, an action initiated by the Maori Council stopped the government from selling hundreds of thousands of hectares of Crown land to the newly created state-owned corporations, which were set up in place of former government trading departments.

The Court of Appeal accepted the Maori argument that there should be no transfer without adequate safeguards against possible selling by the corporations of land that might be the subject of dispute before the Waitangi Tribunal. Vast areas of land are potential subjects of such dispute. In the legislation that set up the new corporations, Parliament inserted a clause prohibiting any act inconsistent with the principles of the treaty.

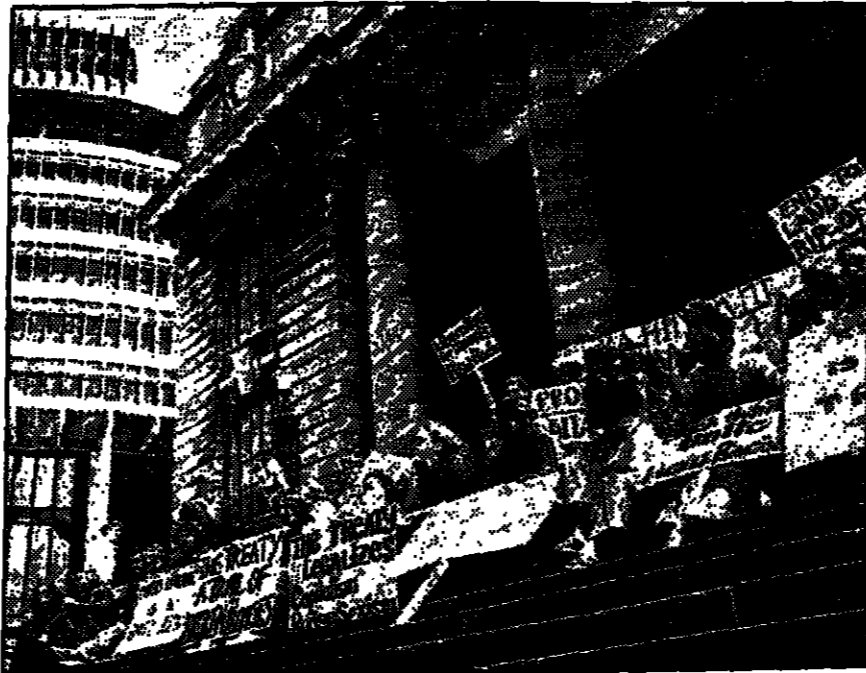
The Waitangi Tribunal is a quasi-judicial advisory body to the government. It was established in 1975 to look into disputes, particularly over land, stemming from the treaty. Its jurisdiction was originally limited to 1975, but in 1985 it was extended back to 1840, the date of the treaty's signing.

The Appeal Court decision compelled the government to reach agreement with the Maori Council—another advisory body set up in the 1960s—on the land issue before the transfer can take place. Agreement is expected soon.

The decision has been hailed nationally as a turning point in the recognition of the treaty, particularly in its application to land and the natural environment.

Spurred by this, Maori tribes have won a High Court injunction against implementation of a quota system for fishing close to shore. They argued that the Waitangi Tribunal should determine Maori fishing rights under the treaty before the government acted "unilaterally" to issue fishing quotas.

Another court action, initiated by the Maori and still undecided, aims to overturn the award of a third television license by the Broadcasting Tribunal to a pakeha group. The legal argument is based on the treaty's partnership principle and a Waitangi Tribunal recommendation last year that the government should make a much greater effort to promote the Maori



Maori protesters and sympathizers during a demonstration in Wellington.

language. (A Maori Language Act has been passed, declaring Maori an official language but not on equal status with English.)

These and other moves signal potentially major changes in the country's political and economic life.

Under legislation dating back to a "temporary" arrangement in 1867, after a series of land wars precipitated by the English settlers, four seats in the 97-seat Parliament are reserved to Maori MPs elected by Maoris who choose to register on a separate electoral roll.

But, while Maoris do not want these seats abolished until there is other secure representation, there is widespread dissatisfaction with

the arrangement. Many Maori say the seats provide only a token political voice.

The four seats have been held by members of the Labor Party since 1942, and critics say the current four MPs toe the government's line at the expense of Maori interests.

Some want the number of seats increased to 12 percent of the seats in Parliament, the same percentage of Maori in the population as a whole. (But against this it has been argued that, since Maori families tend to have more children than pakeha, Maori adults are not 12 percent of the voting population. In any case, many Maori have chosen to register on the general roll.)

Deeper than simple representation in Parliament are growing calls among the Maori for equal representation between the two races in government in line with what they say is the treaty's principle of equal partnership.

The Maori argue that pakeha institutions have failed to deliver culturally appropriate services to them and that the pakeha should give up resources and responsibility to Maori authorities.

These demands in some cases extend to a call for an equal voice at the level of a supreme authority. Less extreme, but still to most pakeha a radical and threatening step, are the calls for the Maori to control a share of the economic and government resources equal to their percentage of the population.

These demands follow a strengthening cultural renaissance in language, arts and crafts and, particularly in the 1970s, in land claims. An example is the burgeoning Maori-language *kohanga reo* kindergarten movement. These schools were set up by Maoris with little state funding, but they are now supported by the government.

They also follow the failure of half a century of special welfare and social spending programs—essentially an assimilationist approach—to improve the Maoris' economic and social status.

At the center of the Maori issue is land. Since 1840, Maori tribal estates have declined from almost 27 million hectares (66.5 million acres) to about 1.3 million hectares. This has both reduced their economic base and undermined cultural confidence.

In the period after the signing of the treaty when there were few European settlers, partnership seemed to be a reality. Maori producers and traders played a vital part in the colony's first years.

But once the Europeans became the majority in 1860, the Maori lost much of their land through wars, confiscations and legislation, and the British political, economic and social structure was imposed on the country. Most pakeha have little understanding of Maori culture and, at least until recently, have expected

the Maori to be absorbed into European culture.

The Maori essentially became a political, social and economic underclass.

Maori comprise one-fifth of all unemployed in New Zealand and make up more than half of the prison population; most Maori leave school without formal qualifications; Maori incomes are markedly lower than those of non-Maori. And there is increasing anxiety about the growth of Maori gangs, whose often violent behavior has excited fears and a racist backlash among the pakeha.

This has been exacerbated by nationalist statements by some radical Maori, who have advocated Maori control of the country. Some, with support from nonradical Maori, supported the military coup in Fiji because it aimed to make the rights of indigenous Fijians paramount.

Mostly, the pakeha anxiety shows in social separation and some discrimination in housing. A more extreme example was a claim in Parliament by Ross Meurant, a new MP and a former policeman, that 15 Maori whom he named were plotting terrorist activity to overthrow the government. Mr. Meurant has so far not produced evidence to support his claim.

However, there have been changes both in the law and in administration. Mana Enterprises, a state-funded concessionary "bank" for small commercial projects, is administered through Maori authorities. So are so-called Access training plans for unemployed.

The government is also committed to handing over most of the activities and resources of the Maori Affairs Department to Maori authorities. And it has tripled funding of assistance to Maori over the past three years.

Still, many Maori say the changes are taking place too slowly. But there is also a quiet belief that time is on their side. The relatively high Maori birthrate means that within 30 years the Maori proportion of the population will probably be about 20 percent.

VERNON RICE reports on Maori affairs for the Dominion newspaper.

For the French, a Bogeyman in the Pacific

By Julian Nundy

PARIS—There was a time when the French considered New Zealanders dangerous only when they arrived in groups of 15 to play rugby.

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However, in the 1980s, New Zealand has gained the reputation of being something of a bogeyman, an obstacle to France's interests in the South Pacific.

While this is a role that it shares with Australia and a number of smaller states in the South Pacific Forum, the consequences of the sinking of the Greenpeace ship *Rainbow Warrior*, a ship belonging to the ecologist group Greenpeace, in Auckland harbor on July 10, 1985, by French agents drew attention in France to a faraway country of which it had previously known little.

The Rainbow Warrior affair soured relations and brought often vitriolic exchanges between the

two countries for a year while New Zealand tried and imprisoned two French agents for their part in the sinking. One person, a Greenpeace photographer, was killed in one of the two explosions that sank the ship.

French officials, adopting an often indignant stance, frequently attacked New Zealand during this period, adopting "the classic trick of blaming the victim," in the words of one diplomat who monitors French policy in the Pacific.

But New Zealand now considers the episode closed and nothing more than "a strange aberration," diplomats in Paris say.

Although New Zealand allowed

the agents to leave prison and complete their sentences on a French Pacific island, and obtained a formal apology and \$7 million of compensation from Paris, there are still two main areas of serious discord between the two countries.

These are opposition to French nuclear tests at Mururoa Atoll and differences over France's handling of the aspirations of the Kanak, or native Melanesian, population in New Caledonia.

On the tests, diplomats said that New Zealand's position was, in fact, "a consensus position, not a lonely line," laid down by the nations of the 13-nation South Pacific

Forum, which want the South Pacific to be a nuclear-free zone.

France moved its testing there in the 1960s from the Sahara after giving its North African colonies independence.

The arrival of French tests came after the United States and Britain, which had been conducting atmospheric nuclear tests in the Pacific in the 1950s that had already aroused concern in the region, stopped testing there.

New Zealanders in Paris, who described their embassy in France as "a persuading post," said the Wellington government had difficulty convincing France that for an end to all testing in the Pacific were motivated purely by fears for the environment. France now conducts only underground tests at Mururoa.

Diplomatic sources said that reaction to the South Pacific Forum's opposition to its present-day tests often suggested that the French considered that the forum was "getting at something essential to them."

France, whose policy of maintaining an independent nuclear deterrent is widely supported at home, regards the existence of its own testing site as an important element in that policy.

Britain, the only other country with a nuclear force that does not have sufficient territory to do its testing at home, uses the U.S. site in Nevada.

Diplomats in Paris said that the problem of Pacific testing would perhaps be resolved in the context of an eventual comprehensive test ban treaty.

On New Caledonia, France has accused New Zealand and other states of supporting Kanak separatists, opening the way to Libyan and Soviet influence in the region.

Pacific states reply that it is France, by insensitive handling of the Kanaks, that is creating the breach through which subversion arrives.

At times, France's accusations have been grave.

In January 1986, as he was campaigning for legislative elections which were to make him prime minister, Jacques Chirac accused New Zealand of "encouraging foreign groups hostile to France's presence in the Pacific, even aiding terrorists in New Caledonia."

Four months before, Charles Pasqua, one of Mr. Chirac's close associates in the Gaullist Rally for the Republic, said in a debate in the French Senate that New Zealand had supplied arms to "saboteurs" in New Caledonia.

Prime Minister David Lange replied that Mr. Pasqua's words were "a ludicrous and preposterous suggestion by a rather desperate seeker after publicity in an



The Greenpeace ship after its sinking in Auckland harbor in July 1985.



David Lange

The Rainbow Warrior episode is closed, but discord remains over nuclear tests and New Caledonia.

Acknowledging "a certain outspokenness" on both sides, New Zealand sources in Paris said that Wellington's desire was not to see France leave New Caledonia but to handle the Kanaks with more sensitivity and avert an explosion.

Quoting Mr. Lange as saying that "only France can replace France in New Caledonia," they said that the feeling in Wellington was that the territory needed "positive leadership, dialogue and training to help people take charge of themselves."

France, they said, was currently creating "a legacy of non-dialogue" that ignored the Kanaks' aspirations while it could be working toward "some form of self-government or independence in which the good relationship with France can be maintained."

"The frustration of the Kanaks will reach a point where the territory is in dead trouble and this will open the way to mischievous outsiders," the sources added.

Despite the acrimony that these issues provoke, officials from both countries say they are able to maintain a good dialogue.

Trade between the two countries continues in New Zealand's favor. Figures for 1985, before some short-lived official and informal trade boycotts over the Rainbow Warrior registered their effect, were 634.6 million francs (\$111 million at today's rates) worth of French exports compared with New Zealand exports, mostly agricultural products, of 1.35 billion francs. Both figures dropped slightly in 1986.

On the political level, New Zealand officials say they have good access to their French counterparts.

"We're in constant discussion over areas of common interest and of disagreement," one said. "Both of us take steps to see what we can do about the differences and that's the characteristic of relations of one friendly country to another."

JULIAN NUNDY is on the staff of the International Herald Tribune.

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Nuclear Stand Keeps Former Allies Apart

Continued from page 11

regular flow of highly sensitive American intelligence.

Initially, there was considerable fear in New Zealand that the severing of security cooperation would spill into other areas and cause the United States to use trade and economic sanctions to put pressure on Mr. Lange. New Zealand's sales to the United States of wool, lamb, beef and casein make the United States—along with Japan and Australia—one of its three biggest customers.

However, those fears appear to have been unfounded. The administration's position has been that, while New Zealand, for the moment at least, is no longer entitled to various special considerations reserved for allies, it remains a friend whose values are firmly

rooted in the West and whose trade and economic interests parallel those of the United States.

That attitude seems to be reciprocated by Mr. Lange, who originally greeted the severing of security ties with charges that Washington was trying to bend New Zealand to its will with "bullying tactics."

More recently, although he has remained inflexible on the nuclear issue, Mr. Lange's government has muted its criticism of the United States considerably, taking the same sort of "more in sorrow than anger" approach to the dispute that one hears in Washington.

"We are not New Zealand's enemy, and we are not trying to punish them," said one U.S. official, who declined to be identified.

"But we don't want to gloss over our feelings that New Zealand's position in ANZUS has harmed our interests and those of the West. Although we regret it very much, until that problem is resolved, the relationship cannot have the closeness and intimacy that existed before."

Or, as Mr. Shultz summed up Washington's view, "We have great affection for the people of New Zealand. But we also remind them that those who value freedom have to be prepared to defend it."

JOHN M. GOSHEK reports on diplomatic issues for The Washington Post.

JPY ciol iSD

Policy Seems at Odds With Fundamentals In Economic Outlook

The economy is heavily debt-laden. And the government is no exception.

By Colin James

WELLINGTON — There are two ways of looking at the New Zealand economy: according to the policy the government is pursuing or according to the fundamentals. Each yields widely different judgments.

Generally, pronouncements on the government's policy direction are positive, but the numbers tell a different, mostly negative story. Economic policy up to 1984 was heavily interventionist, using government regulation and overseas borrowing to sustain production and exports and living standards. That reached its apogee with a freeze in mid-1982 on wages, prices and rents, followed by direct controls on interest rates at the end of 1983.

The Labor government of David Lange, which took over in mid-1984, changed direction sharply, freeing markets, deregulating, protecting and desubsidizing — to widespread praise.

But views have been divided over the government's macroeconomic stance, which has failed to close the budget deficit (although it now runs at only about 2 percent of gross domestic product, down from 9 percent in the 1983-1984 fiscal year) and left interest rates high. This has attracted foreign money and kept the exchange rate relatively high, which, in turn, has contributed to the balance of payments deficit.

The problem has been inflation, which has persisted at a double-digit level, even discounting the impact of a 10 percent tax on goods and services imposed on Oct. 1, 1986.

To reduce inflation, the government has maintained a fairly tight monetary policy, restricting the supply side. Booms in the share and property markets, coupled with the continuing budget deficit, kept demand relatively high, thus forcing interest rates up. For most of 1987, rates for benchmark 90-day commercial bills have been in the range of 18 percent to 21 percent. Five-year government bonds moved

between 16 percent and 17 percent, with peaks in both considerably above that.

Rates like that have proved irresistible to short-term foreign investors, who have bid up the New Zealand dollar. It began 1987 at 65 New Zealand cents (around 50 U.S. cents) on the trade-weighted index and climbed to 76 cents on Oct. 6.

Because of the high inflation rate, this meant a hefty upvaluation in real terms and damage to the exporting and import-substituting sector. Nevertheless, the balance of payments has until recently been improving.

But it has been largely for the wrong, or fortuitous, reasons. For one, the price of agricultural commodities, which still make up about half of exports, has improved, turning the terms of trade upward.

Secondly, there has been a reduction in oil imports as a gas-to-gasoline conversion plant has gone into operation to supply about half the country's motive fuels. Thirdly, since the beginning of 1987, real disposable income has been contracting, constraining demand for imports.

And even with those gains, the deficit is running about 1.8 billion New Zealand dollars on a yearly basis. This adds automatically to overall foreign debt. In June, the Statistics Department put total foreign debt at 34.2 billion New Zealand dollars, about 66 percent of gross domestic product.

But that figure includes only borrowings for terms below one year. Total foreign debt, including short-term debt, much of which is rolled over and is, in effect, longer-term, has been variously estimated by private-sector economists at up to 45 billion dollars.

The economy is thus heavily debt-laden. And the government is no exception. Servicing official debt takes one-quarter of the budget, severely reducing the scope for spending cuts to bring the budget into balance.

Finance Minister Roger Douglas has opted for selling shares in government enterprises and in some cases selling the enterprises off. This worked reasonably well with the floating of shares in the Bank of New Zealand (equal to 30 percent of a reconstructed and expanded capital base) and very well in the float of 30 percent of the state petroleum exploration and processing company, Petrocorp.

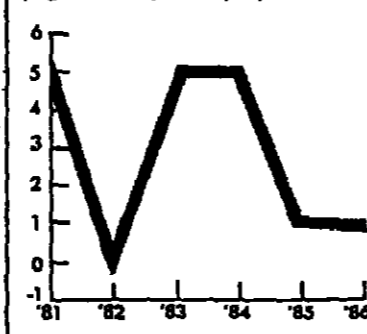
Then came the stock market crash. The collapse was worse in New Zealand than in most markets, partly because of a high proportion of investment companies whose positions deteriorated drastically with the crash.

Accordingly, the psychological impact was also severe. One fallout is expected to be the end of a commercial building boom, which has been an important sustaining factor in the economy.

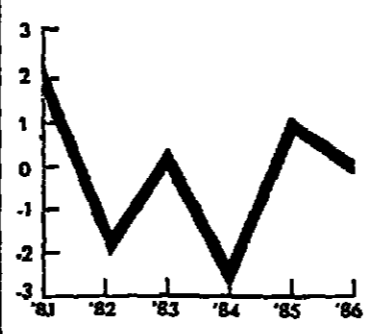
Thus, the contraction that was already under way in the economy (retail spending was down

Economic Profile

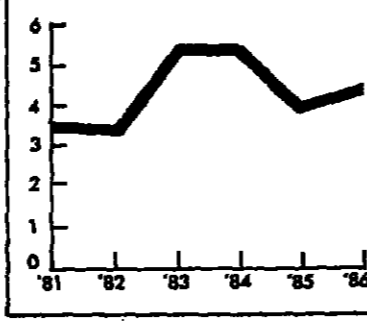
Gross Domestic Product (% growth over previous year)



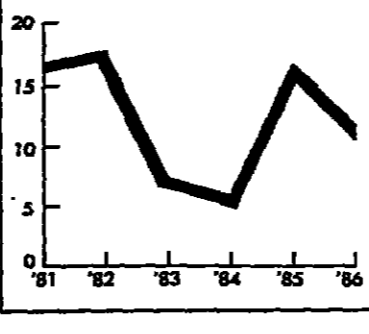
Trade Balance (in billions of U.S. dollars)



Unemployment (% of civilian labor force)



Inflation (% change from previous year)



Big Business Braces For Market Exposure

By Selwyn Parker

AUCKLAND — In the new economic environment engineered by the Labor government, big business is facing a major dilemma — after extracting historic profits from a protected market, it is now battling to find its future in an exposed one.

The plight of New Zealand Forest Products, ranked second among the country's manufacturing companies, illustrates the problem. The wood-processing concern is now embroiled in major internal upheavals as it enters a more competitive market.

As Warren Hunt, recently retired managing director of New Zealand Forest Products, points out, the old cost-plus mentality does not work any more. "It was too easy to accept increased costs from various quarters, including union pressures, and pass these costs on," he said. "NZFP was not immune from the effects of this environment."

The same observation could be made about many of New Zealand's manufacturers, but it is probably more true about NZFP than any other. A good example of cost-plus is the company's manufacturing base in the North Island town of Kilelesh. Very much an NZFP entity, surrounded by its own fast-growing pine radiata pine forests, Kilelesh flourished in a soft manufacturing climate.

As Laurie McDowall, operations director, says: "Like many other industrial activities, the operations at Kilelesh evolved in a climate of high tariffs, import licensing, taxation breaks and export tax incentives." Those fat paychecks at Kilelesh are now threatened by layoffs, low wage raises and reduced margins in the teeth of competing imports.

NZFP is also pushing through productivity and labor efficiency agreements. All inefficient operations are being closed down, with the number of paper machines being reduced. The plant is being modernized — the \$120 million first stage is far advanced.

Cost-cutting measures, such as the substitution of contractors for direct labor in the forests, are already in place, thus reducing capital tied up in heavy equipment like logging trucks.

Instead of a headquarters-driven organization, NZFP has become a decentralized one, with six separately accountable divisions — forests, pulp and paper, lumber, panel products, building supplies and technology — and a slashed head office team.

At Kilelesh alone, Mr. McDowall is confident that over the next four years output will rise by 40 percent, manning levels will drop by 45 percent and profitability will double.

Now, in a general observation about the results of protection of the manufacturing industry, Mr. McDowall says: "Problems begin when inefficient producers are protected or inefficient exporters are subsidized."

NZFP is not entirely typical of New Zealand manufacturing, because of its size. But the

same painful analysis is going on throughout the spectrum of New Zealand's manufacturing: only the degree of upheaval is different.

The revolution started two years ago. Now, manufacturing industry in general is further down the restructuring track than NZFP. Several trends have emerged in previously protected industries.

Many companies, notably Feltek International, carpet makers, took a hard look at their base business and did not like what they saw. Now, Feltek makes more money on non-carpet activities.

Others have shaken off an attitude of insularity and tried to forge durable offshore marketing strategies. Fisher and Paykel, leading white goods manufacturers, in 1987 nearly trebled its profit to 27.7 million New Zealand dollars (\$16.62 million) on turnover of 414 million dollars, partly helped by going for brand-based instead of price-based sales in overseas markets.

In October, after expensive and largely unsuccessful years of trying to develop offshore sales through its own resources, New Zealand's biggest food producer, Wattie Industries, joined the Australian Goodman Fielder conglomerate. It is a measure of the comprehensiveness of this sea change in New Zealand manufacturing that Wattie, a household name that started out as a husband and wife jam-making company, will now disappear from the main board of listed companies.

The battle is to establish offshore brands and reduce dependence on New Zealand's small and mature market of just 3.2 million people. Brewer Lion Corp. has expanded sales dramatically through its Mac's Liquor chain in Australia — a 1986 acquisition — and has engaged a Canadian distributor, Martlet and Co., to handle its Steinlager brand throughout the United States. The rival New Zealand Breweries is pumping cash and personnel into its competing brand, Kiwi Lager, which was only launched internationally this year.

There is growing anxiety, however, about export income from manufacturing.

As the Reserve Bank states in its latest quarterly bulletin: "While there were earlier indications that manufacturers were prepared to maintain trade with established markets despite less favorable prices, a lengthy period of strength for the New Zealand dollar against the Australian dollar, the phasing out of export incentives and lower demand in the key Australian market resulted in a significant decline in manufactured exports."

In fact, manufactured export volumes fell 8 percent in the first three quarters of 1986-1987. And according to the National Bank's monthly Business Outlook for November, times remain uncertain.

But there is a lot of evidence that New Zealand's manufacturers are making the right moves. It is just that macroeconomic influences are conspiring against them.

SELWYN PARKER is a financial journalist based in Auckland.

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EXCEED US\$1 BILLION.

nsion absorbed into European... essentially became a... one-fifth of all... and make up more than... formal qualifications... kedly lower than three... re is increasing anxiety... aoni gangs, whose of... rated fears and a racist... tha... in exacerbated by... some radical Maori... ri control of the country... om coronatorial Maori... coup in Fiji because... ts of indigenous Fijians... paikaia anxiety shows... some discrimination... Rios Mearani, a new... man, that 13 Maori... joring terrorist activity... evidence to support... here have been changes... in administration. Ma... re-funded projects... neral concessions... on authorities. So are... ng plans for unemploy... ment is also communi... d of the activities and... Affairs Department to... d it has needed funding... on over the past three... y Maori say the changes... m's. But there is also... on their side. The relat... rate means that within... orious of the population... it 23 percent.

RICE reports on Maori... on newspaper.



March 1985

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Farmers Look to GATT to Lift Profits

By Hugh Stringleman

AUCKLAND — Beseated by high interest rates and low product prices, New Zealand's sheep and dairy farmers are looking to multinational trade negotiators in Geneva for a pay raise of \$800 million annually.

The minister of overseas trade and marketing, Michael Moore, has raised these expectations by saying that this is the cost to New Zealand's 50,000 full-time farmers of world agricultural trade subsidies and tariffs.

As a result, New Zealand farmers are vitally concerned about the outcome of the next round of the General Agreement on Tariffs and Trade (GATT) talks, which include agriculture for the first time as a major topic.

New Zealand farmers hope GATT negotiators in Geneva will agree to wide-ranging reforms of world agricultural trade protectionism along the lines being suggested by the United States, or by the so-called Cairns Group of 14 nations, including New Zealand, which met in Cairns, Australia, last year to organize for the forthcoming GATT round.

The 14 proposed a three-phase reform of world agricultural trade:

- Revised and strengthened rules to govern such trade.
- Systematic reduction of agricultural support.

Immediate interim action to freeze subsidies and cut back access barriers and other nontariff measures that are distorting the world market.

As one of the most efficient producers in the world of dairy products and meat, New Zealand stands to gain considerably from the elimination of European Community and U.S. subsidies, which force overproduction and dumping of food into East bloc and Third World countries at low prices.

New Zealand still receives about 60 percent of its overseas earnings from agriculture, and its economic history of the last 20 years has been about trying to maintain a high standard of living on commodity trading without a substantial manufacturing base.

Various governments tried to insulate farmers from declining commodity prices and to minimize the effects of dwindling returns on the economy by introducing farm subsidies, borrowing overseas and devaluing the New Zealand dollar.

But in 1984, the Labor government called a halt to that macroeconomic policy and thrust farmers into the real world of international market prices. Dairy and grain prices to farmers dropped considerably.

The small cropping industry was hit hard when wheat prices dropped by one-third. Winter wheat sowings this year were cut down as farmers turned to spring barley and peas or tried to buy in livestock.

New Zealand will now obtain most of its wheat from Australia, but more than 2,000 farmers in the South Island are among the worst-affected financially and many are faced with selling out.

Dairy returns dropped by one-quarter and farmers responded by trying to increase production of milk. They held on to their single-deck marketing system, using the Dairy Board, and now international dairy product prices are starting to improve again as the EC addresses its massive overproduction.

New Zealand overproduced sheepmeats during much of the early 1980s but a sharp reduction in lamb prices to farmers reduced slaughtering by 25 percent annually, and supply and demand is now back in balance.

Meat companies are trying to move away from bulk-disposal, low-price markets like Iran into further-processed, higher-value, consumer-ready cuts. Returns to farmers are expected to rise slowly from a very low base last year when, on average, only 15 percent of the overseas wholesale price was received back on the New Zealand farm.

Besides cutting down on farm subsidies, the New Zealand government in 1984 floated the dollar, and the effects on exporters ever since have been considerable.

The economic and foreign policies of Prime Minister David Lange's Labor government attracted overseas investors, who bought New Zealand dollars and securities and forced up the ex-

change rate during much of the last two years. From a low of 42 U.S. cents to the dollar after the float, the New Zealand currency rose in value to reach 64 cents in early October. It then plunged five cents when world stock markets crashed on Oct. 19, but has edged slowly upward again.

This high value of the dollar has mystified farmers and exporters, who have been conditioned over the years to expect easy returns by regular currency devaluations.

But it is the high interest rates and inflation that have really hurt all New Zealand producers during 1987. After two decades of double-digit inflation, interest rates climbed to more than 20 percent, helped by a tight money policy to try to control the national debt and force down inflation. This economic prescription, referred to as "Rogernomics," after Finance Minister Roger Douglas, has worked on inflation, which is now below 10 percent annually and is expected to bottom out at 5 percent. But high interest rates continue to put off borrowers, many of whom are refraining from seeking loans.

Interest rates are only coming down very slowly and farmers, in particular, are not borrowing for fertilizer, machinery or land development.

New Zealand is heading into a recession caused by reduced investment spending and climbing unemployment. While many concede that Rogernomics is working on inflation and may be



Sheep grazing at Garston, in the South Island.

working on reducing interest rates, the question remains as to whether the cure will work quickly enough to prevent a drastic economic downturn.

But the government is firmly com-

mitted to its harsh policies, and it was recently re-elected to three more years in office.

That is why everyone in the primary exporting sector must look to Geneva

for any longer-term improvements in commodity prices.

HUGH STRINGLEMAN is editor of *The Farmer*, a New Zealand newspaper.

EC Trade Relations Hinge on Wider Dairy Exports, Fewer Subsidies

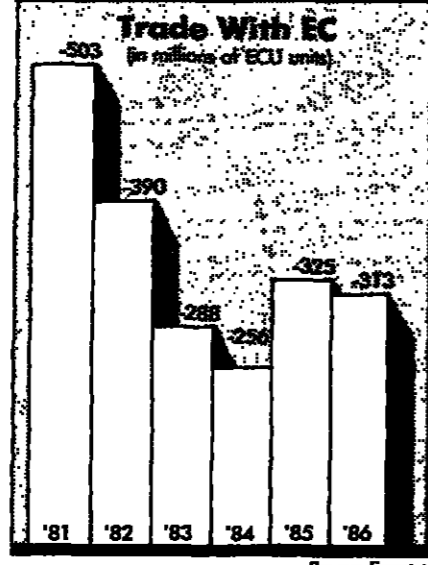
By Giles Merritt

BRUSSELS — One way or the other, 1988 is going to turn out to be a watershed in New Zealand's relationship with the European Community. At issue is both the question of New Zealand's dairy exports to the EC, meaning chiefly Britain, and the much wider problem of whether the EC will reduce the level of farm export subsidies that are driving New Zealand produce out of world markets.

By coincidence, two important trade issues must be settled within the coming 12 months that will decide whether Wellington continues to look to Brussels to sustain a crucial part of its export needs or whether it definitively turns away to new markets nearer home.

Next year, the New Zealanders have to renegotiate their long-standing special dairy exports deal with the EC. At the same time, they must look seriously at the idea of helping to forge what might amount one day to a Pacific area common market.

For 1988 is the year that the Australia-New Zealand Closer Economic Relations (CER) treaty comes up for review, and there is strong pressure for using a renewed five-year CER pact as the basis for a much wider Pacific basin trade pact involving the ASEAN nations



(Thailand, Singapore, Indonesia, Malaysia, Brunei and the Philippines). New Zealand's minister of trade and industry, David Caygill, has talked tentatively of widening the Canberra-Wellington CER treaty

of 1983. But what that might mean in practical terms is still far from clear. It appears, though, that New Zealand may have in mind a special round of tariff and quota cuts that would draw in not only the ASEAN countries but also perhaps trading partners as far away as Latin America.

With the European Community in the throes of a serious budgetary crisis, and therefore contemplating major structural changes to the Common Agricultural Policy (CAP), New Zealand can be under few illusions about its chances of sustaining even the present reduced level of dairy exports to the EC.

The air has cleared since the row that broke out between France and New Zealand over the sinking of the Greenpeace vessel, the Rainbow Warrior, and the imprisonment of the two French undercover agents who were found responsible.

Last year, Prime Minister David Lange undertook a European tour to ensure that good relations would be restored with Paris. New Zealand has been anxious that political tensions should not mar its chances of retaining as much of its dairy sales to the EC as it can.

Wellington has fought a fairly successful rearguard action in defense of those exports ever since Britain joined the EC in 1973. New Zealand's European dairy market is to a very large extent the British market, and for the past

15 years there has been heavy pressure from Britain's EC partners to restrict New Zealand's access.

The result has been a sharp acceleration in the way that New Zealand has had to turn away from its traditional British market and find alternative outlets. Fifty years ago, at the outbreak of World War II, four-fifths of New Zealand's farm exports went to Britain. Today, that figure, which by 1960 had already shrunk to about 50 percent, has dwindled to a mere 15 percent.

Britain, therefore, accounts for about the same proportion of New Zealand's farm exports as do each of Wellington's main trading partners, namely Australia, Japan and the United States. But with New Zealand's dairy farmers now severely feeling the pinch from stagnant markets and falling world prices, the New Zealanders are anxious to safeguard whatever European sales they can.

The economic conditions that New Zealand's 15,000 dairy farmers have to contend with are severe. Some of the country's large-scale, super-efficient farmers, who on average milk about 150 cows a day on their one-man farms, are now earning less than New Zealand's official minimum wage. With many farmers burdened by heavy debt repayments, this year has already seen a rash of bankruptcies.

By contrast, comparable European dairy farmers often operate no more than 15 cows but are buttressed by the guaranteed prices and export subsidies of the European Community's CAP. And New Zealand is uneasily aware that among the first victims of the CAP reforms now under discussion are likely to be New Zealand's dairy exports to Europe.

In mid-1984, the EC signed a five-year agreement with New Zealand that set new, and reducing, limits on the amounts of New Zealand butter that would be accepted into the EC. For 1984, the level was 83,000 tons, dropping to 76,500 tons this year and 74,500 tons in 1988.

THESE levels are very roughly about half the amount of butter that New Zealand was permitted to sell during the transition period that followed Britain's accession to the EC. However, there are now fears that they will be considerably greater than the new limits that the EC Council of Ministers is to set next year and which will come into force on Jan. 1, 1989.

For New Zealand, meanwhile, persuading the EC to reform its farm subsidies has become as important as negotiating a satisfactory new agreement governing sales of New Zealand butter to the European Community. The New

Zealand Dairy Board argues that world prices for dairy products could double without depressing consumption if the EC were to stop holding down prices by selling large quantities of cheap subsidized produce onto world markets.

Such arguments have so far fallen on deaf ears in Brussels and the European capitals. To a large extent, the matter of farm export subsidies is out of the hands of the New Zealanders.

The issue of agricultural subsidization by both the EC and the United States is one that many other countries are deeply concerned over, and it is a major element in the current Uruguay round of GATT multilateral trade negotiations.

Whether the General Agreement on Tariffs and Trade round will succeed in reining back farm subsidies by the richest industrial countries that are depressing agriculture in many of the poorest developing countries is a question that goes far beyond the EC-New Zealand relationship. It is, however, one that is a continuous source of friction and that is pushing New Zealand to look to its Pacific basin partners for new and more positive trade links.

GILES MERRITT is a journalist based in Brussels.

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INTERNATIONAL STOCK MARKET
Mutual Funds
Wary Vill
Currency Rates
Interest Rates

INTERNATIONAL STOCK MARKETS

India Hopes Mutual Funds Will Tempt Wary Villagers

By DEV VARMA
REUTERS
BOMBAY — The State Bank of India on Monday launched one of four domestic mutual funds...

Fund managers will buy back the certificates at or above par even if net asset value falls.
The SBI mutual fund offers two million certificates priced at 500 rupees each...

MERCHANT bankers said that two open-ended offshore funds are also expected early next year.

After an 18-month boom in which they attracted new investors from middle- and low-income groups, Indian stock markets have been depressed since June 1986.

The index of the Bombay Stock Exchange, India's biggest, which rose from 280 in January 1985 to 660 points in June 1986, had fallen to 415 by June of this year.

Currency Rates

Table with columns for City, Bid, Ask, and other currency rate data.

Interest Rates

Table with columns for Currency, Term, and Interest Rate.

Key Money Rates

Table with columns for Instrument, Rate, and Source.

Asian Dollar Deposits

Table with columns for Term, Rate, and Source.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and Other Metrics.

Surplus Shrinks In Japan

Interim Figure Is Nearly Halved

TOKYO — Japan's trade surplus shrank by nearly 50 percent in the first 20 days of November from a year earlier...

Japan's trade surplus is collapsing, not from declines in exports but from exceptional rapid expansion of imports.

That is exactly what the U.S. has been demanding, he said. The ministry does not break down the interim figures by country.

While their numbers have declined by half a million since 1975 — teen-agers now make up 10 percent of the U.S. population...

Bonn Studies Plan to Boost Investment

BONN — The West German government, under pressure from abroad to stimulate its economy, said Monday it was reading a plan that could be presented to the cabinet as early as this week.

On Monday, Franz Josef Strauss, who heads the Bavarian Christian Social Union, part of the governing coalition, said the government would boost investment by offering cheap loans.

Gold

Table with columns for Location, Price, and Change.

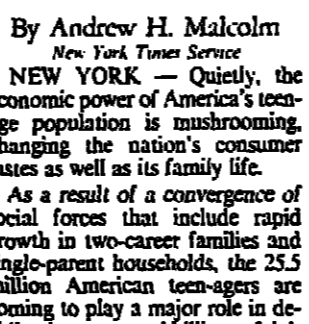
In U.S., Nice Profits but Slim Returns

Net Paybacks Cannot Fund Expansion

NEW YORK — After 15 years of decline, the profitability of U.S. business, measured as a return on investments, is rising again...

That profit, however, represented only a 5.8 percent return on the billions of dollars the company had spent to build or purchase its network of paper mills and sawmills...

Changes in Corporate Responsibility



That profit, however, represented only a 5.8 percent return on the billions of dollars the company had spent to build or purchase its network of paper mills and sawmills...

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Lawell Moholt, Weyerhaeuser Co. research manager for Campbell, Ms. Rastovsky, who has concluded a major market study of this generation of teen-agers...

In a 'Latchkey' Era, U.S. Teens Are Gaining Power of the Purse

research manager for Campbell, Ms. Rastovsky, who has concluded a major market study of this generation of teen-agers, calls them "the power children."

Ms. Rastovsky's study found that 63 percent of all teen-age girls and 39 percent of teen-age boys now do some family grocery shopping, with nearly two-thirds of them helping plan the shopping list and nearly half making brand decisions.

Yasuda to Buy Up to 25% Stake In PaineWebber

Net Paybacks Cannot Fund Expansion

NEW YORK — The investment firm PaineWebber Group Inc. said Monday it had agreed to sell an equity stake of up to 25 percent to Yasuda Mutual Life Insurance Co., one of Japan's biggest life insurance firms...

The purchase has been under negotiation since Aug. 19, but the stock market drop on Oct. 19 disrupted the talks.

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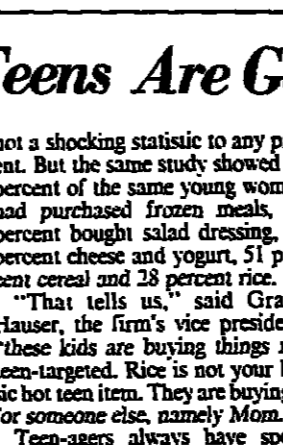
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Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div.	Yld. %	PE	52-Week High	Low	Close	Change	Over-the-Counter
137 1/2	137 1/2	Amer. Intl. Gr.	1.80	4.4	22.1	120	137 1/2	137 1/2	+ 1/4	
137 1/2	137 1/2	Amer. Intl. Gr.	1.80	4.4	22.1	120	137 1/2	137 1/2	+ 1/4	

12 Month High	Low	Stock	Div.	Yld. %	PE	52-Week High	Low	Close	Change	Over-the-Counter
137 1/2	137 1/2	Amer. Intl. Gr.	1.80	4.4	22.1	120	137 1/2	137 1/2	+ 1/4	
137 1/2	137 1/2	Amer. Intl. Gr.	1.80	4.4	22.1	120	137 1/2	137 1/2	+ 1/4	

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The International Herald Tribune announces the *International Herald Tribune Centennial Scholarship*, to be awarded to an outstanding candidate already admitted to the INSEAD MBA Program.

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University Degree: _____ Year awarded: _____

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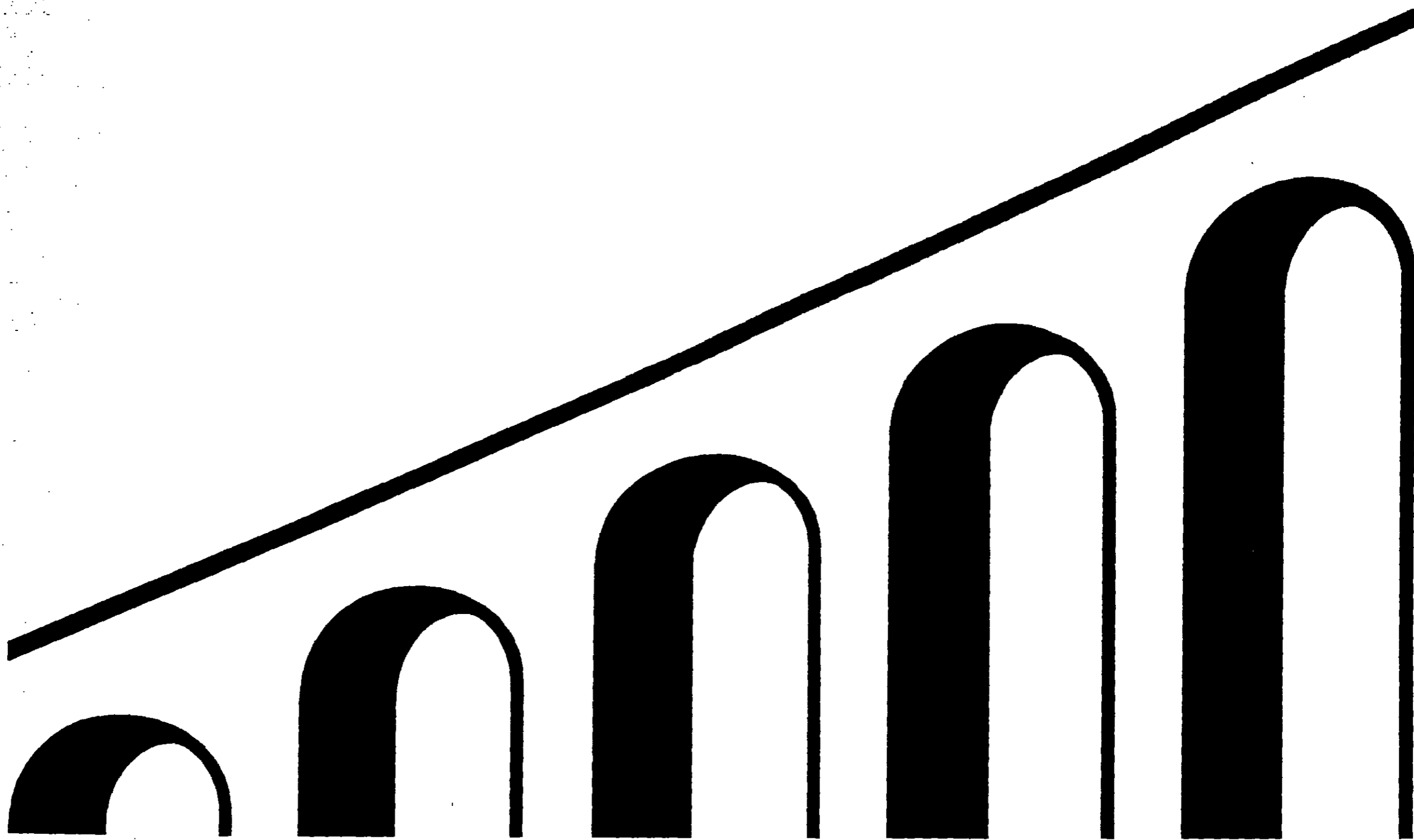
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12 Month High	Low	Stock	Div.	Yld. %	PE	52-Week High	Low	Close	Change	Over-the-Counter
137 1/2	137 1/2	Amer. Intl. Gr.	1.80	4.4	22.1	120	137 1/2	137 1/2	+ 1/4	
137 1/2	137 1/2	Amer. Intl. Gr.	1.80	4.4	22.1	120	137 1/2	137 1/2	+ 1/4	

NYSE High-Lows

NEW HIGHS	NEW LOWS
AMR Corp.	AMR Corp.
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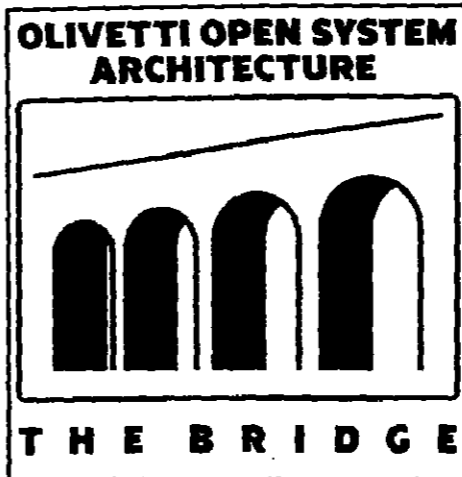
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Floating-Rate Notes

Table with columns: Issuer/Asset, Coupon, Maturity, Bid, Ask. Includes sections for Dollars and Foreign & Colonial Reserve Asset Fund.

Table listing various international funds with columns for fund name, currency, and price.

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Table for Pounds Sterling and Deutsche Marks with columns for Issuer/Asset, Coupon, Maturity, Bid, Ask.

Table for Japanese Yen and E.C.U. with columns for Issuer/Asset, Coupon, Maturity, Bid, Ask.

U.S. Futures

Table listing various U.S. futures contracts including Grains, Food, Metals, and Lumber with columns for contract name, price, and change.

Table listing international futures contracts including Eurodollars, British Pounds, Canadian Dollars, and others with columns for contract name, price, and change.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 30th Nov 1987

Large table listing numerous international funds with columns for fund name, currency, and price.

U.K. Firms Judged To Face Better Odds Than in '70s

LONDON — Despite the stock market crisis, British companies face better odds of achieving growth in profit than they did during the 1970s recession, leading business says.

Stock Indexes

Table listing various stock indexes including S&P 500, Nikkei, and others with columns for index name, value, and change.

Paris Commodities

Table listing Paris commodity prices for items like sugar, coffee, and cocoa.

London Commodities

Table listing London commodity prices for items like sugar, coffee, and cocoa.

Spot Commodities

Table listing spot commodity prices for items like aluminum, tin, and zinc.

Autolatina Expected Losses to Expand To \$200 Million

SAO PAULO — Autolatina, a Brazilian government-owned car manufacturer, said on Monday it expected its losses in Brazil to rise to between \$200 million and \$300 million in 1987.

U.S. Treasuries

Table listing U.S. Treasury bond yields for various maturities.

Dividends

Table listing dividend payments for various companies.

London Metals

Table listing London metal prices for items like aluminum, copper, and nickel.

S&P 100 Index Options

Table listing S&P 100 index option prices for various strikes and expirations.

To Our Readers

Deutsche mark futures option prices were not available in this edition because of transmission delays.

To Our Readers

The Philadelphia Currency Index was not available in this edition because of transmission delays.

BUSINESS ROUNDUP

Spanish Bank Tries Hostile Takeover

MADRID — Banco de Bilbao, a leading Spanish bank, launched a rare hostile takeover bid Monday for Banco Español de Crédito, or Banesto, but was confronted with an unexpected counteroffer.

Scott Paper Expects Gain In Earnings

PHILADELPHIA — Scott Paper Co. expects to earn between \$5.75 and \$6.30 a share in 1987 and between \$6.75 and \$7.50 a share next year, its chairman, Philip Lippincott said Monday.

Pioneer Lifts Stake in Giant To 19.9%, Is Seeking 44%

SYDNEY — Pioneer Concrete Services Ltd. said Monday it had bought 18.9 percent of the issued capital of Giant Resources Ltd., a mining and exploration group, from Ariadne Australia Ltd. for 166.84 million Australian dollars (\$116 million).

Cérus Sees \$53 Million In Net Profit for '87

PARIS — Cérus SA, the French holding company controlled by the Italian entrepreneur Carlo de Benedetti, expects a consolidated net profit for 1987 of at least 300 French francs (\$53 million), a company spokesman said Monday.

fight to the finish, an official with a Spanish bank said. Bankers and stockbrokers said the outcome of the struggle was far from certain.

Singer Says It Is Seeking To Be Acquired in '87

MONTVALE, New Jersey — Singer Co. said Monday that it wanted to reach a definitive agreement to be acquired by the end of the year.

U.K. Eurotunnel Offering Is Only 80% Subscribed

LONDON — Despite a multimillion-dollar advertising campaign, British private investors have subscribed for only 80 percent of a share offering by Eurotunnel, the British-French consortium that plans to build a tunnel beneath the English Channel.

Bosch Will Own 81% of ANT By Buying Out Mannesmann

DUSSELDORF — Robert Bosch GmbH, the electronics group, has agreed to buy Mannesmann AG's 40.8 percent stake in the holding company ANT Beteiligungs GmbH, Mannesmann said Monday.

Japan Issues Telecom Permits To 2 Groups

TOKYO — The Posts and Telecommunications Ministry issued licenses Monday to two new groups to operate in Japan's deregulated international telecommunications market.

Promoting the Prune: Growth of a French Industry Shift From 'Medicinal' Marketing Has Raised Output Nearly Fivefold Since '63

By Kurt Ruderman International Herald Tribune VILLENEUVE-SUR-LOT, France — Most Frenchmen would be hard put to explain why when something doesn't work out, they say they did it pour des prunes, for plums.



Plums are not plucked from the tree; they are picked up off the ground, or off tarpaulins or nets spread under the trees.

fruit products, with jams and jellies, and my penetration of the American market, which currently accounts for a substantial part of our exports," Mr. Chabrit said.

Mr. Armand, who grew oranges and aromatic flowers on his 800-hectare farm in Morocco, recalled starting from scratch in France 21 years ago. "The climate here is not suited to oranges, so I took a few courses offered by BIP and tried plums," he said.

The Oberoi, Bombay. When everything has to be just right. A large advertisement for The Oberoi hotel in Bombay, featuring a photograph of the hotel's entrance and a detailed description of its services and amenities.

Production of prunes is economically important. In 1986-87, sales amounted to 565 million francs (\$100 million), with French consumption at 480 million francs and exports at 85 million francs.

Mr. Lippincott said Scott anticipated a good fourth quarter, with increases in its prices for coated paper and a debt refinancing in the company's Mexican business.

Mr. Armand's 13-hectare plum orchard is one of the largest in the area. Using the latest technology, he is able to produce 10 tons per hectare — more than twice the average 4.5 tons per hectare.

MAKITA ELECTRIC WORKS, LTD. (CDS) The undersigned announces that the semi-annual report ended August 20, 1987 of Makita Electric Works, Ltd. will be available in Amsterdam at: Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., Bank Meeus & Hope N.V., Pierson, Holding & Pierson N.V., Kas-Associatie N.V.

MasterCard EUROCARD Your Key to Finland. A large advertisement for MasterCard and EuroCard, featuring the logos and the slogan 'Your Key to Finland'.

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0
177 1/2	177 1/2	ABN	0.00 0.00	177 1/2	177 1/2	177 1/2	0

"How was your trip?"

"Have a look in my case."

THE XO COGNAC by REMY MARTIN
Exclusively Fine Champagne Cognac

Only cognac made from grapes grown in Cognac's two best regions is entitled to be called Fine Champagne Cognac

AMEX High-Lows

NEW HIGHS

NEW LOWS

Stock	High	Low
ABN	177 1/2	177 1/2
ABN	177 1/2	177 1/2
ABN	177 1/2	177 1/2
ABN	177 1/2	177 1/2
ABN	177 1/2	177 1/2

The desk diary that picks up and goes with you

Half your life's story—or even more—is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune—constantly alert to the needs of busy executives—had this desk diary especially designed for its readers. Bound in luxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find it weighs a mere 340 grams (12 oz.).

No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year.

Diary measures 22 x 15 cm (8.5 x 6 in.), fits easily into the slimmest attaché case, and has gilt-metal corners, gold page-edges and elegant French blue paper. Personalized with gilt initials on the cover, it's a marvelous gift for friends, business contacts and associates. (Note that quantity discounts are available.)

Please allow 30 days for delivery.

Herald Tribune

International Herald Tribune, Karen Diot, Special Projects Division,
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

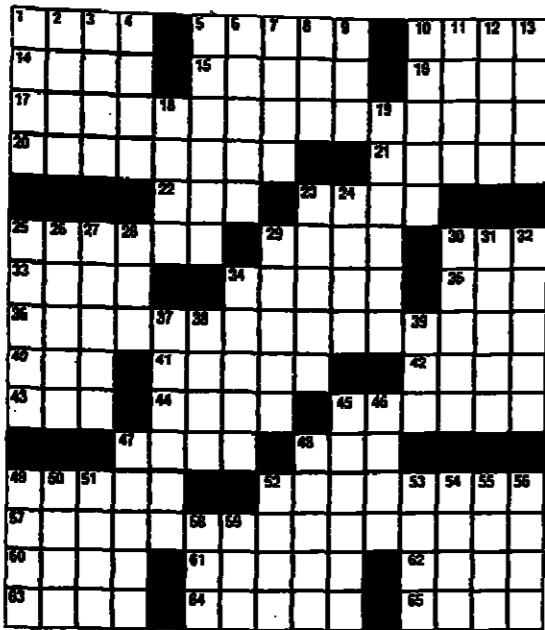
Payment is by credit card only. All major cards accepted. (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)

Please send me 1988 IHT Portable Desk Diaries. Price includes initials, packing and postage in Europe.

Initials	Additional postage
U.S. \$37 each	U.S. \$37 each
U.S. \$35 each	U.S. \$33 each
U.S. \$33 each	U.S. \$33 each

Card No. Exp. date Name (PRINT LETTERS) Address City/Code/Country

Handwritten signature: J.P. 12/1/87



ACROSS
1 Copy, for short
2 Kind of concert
10 Jason's ship
15 Criminal's
30 E.M.K. is one
33 Wading bird
34 Conspiratorial
35 Vein contents
36 Shaw opus
40 "Perfect" number
41 Witch of
42 Wagnerian goddess
43 Compass pt.
44 Creditor's claim
45 Maiden
47 N.Y. heres in 1986
48 A rel.

PEANUTS



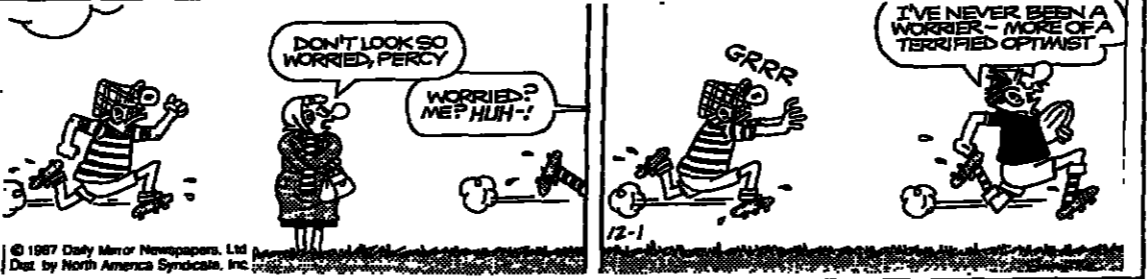
BLONDIE



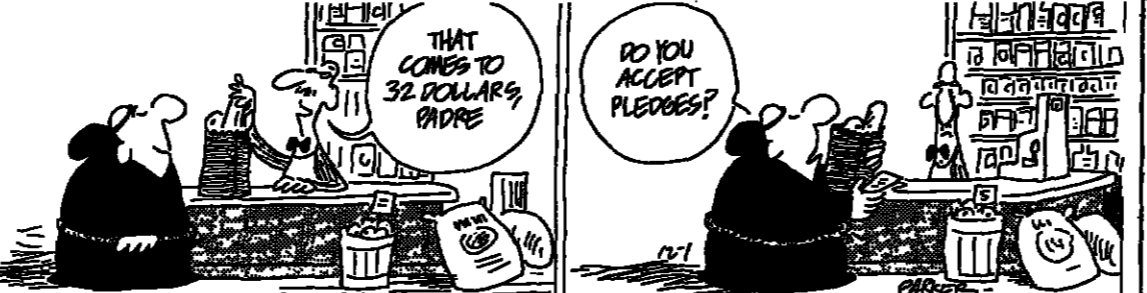
BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Jumble word game section with a grid and a cartoon illustration of a man thinking.

WEATHER

Weather forecast table for Europe, Asia, North America, Middle East, and Oceania.

BOOKS

THE DEVIL IN THE SHAPE OF A WOMAN: Witchcraft in Colonial New England

By Carol F. Karlsen. 360 pages. \$22.95. W. W. Norton & Co., 500 Fifth Avenue, New York, N. Y. 10110.

Reviewed by Michiko Kakutani

CONSIDER the following cases: Anne Hutchinson, a midwife who was one of the central figures in Boston's Antinomian controversy (a debate over interpretations of Puritan doctrine) during the 1630s. Criticized for her outspoken theological views, and her visibility as a religious leader. Suspected of being a witch, denounced as a heretic, excommunicated from the church and ordered to leave the colony for good.

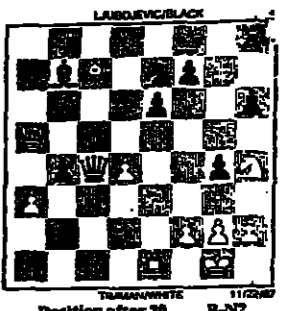
Solution to Previous Puzzle

PSALM ALL CRACK
ERIE BEA RUBLE
ALARM LAR ONION
FLABBERGASTED
SEA OPS
A TO RIDE EBBED
HORA TILT ORRIS
ATA LOSS FORWORDS
BARTU HIRE WENT
SKITS NETS DITS
MOA IAN
THROW FORA OSS
PROUD IRAN OILED
ALIVE RAN OSIER
SPEED ELI NEDDY

CHESS

By Robert Byrne

AFTER 10 years the Dutch grandmaster Jan Timman escaped what amounts to a jinx in winning the most prestigious event in his country, the Interpolis Tournament in Tilburg. Timman, who has been ranked in the top handful of the world's players during the same period, has seen others leave for their own countries with the first prize. But in the 11th double round-robin running of the Interpolis Timman broke the jinx and kept the 30,000 guilders (\$9,500) for himself.



World Stock Markets table showing closing prices in local currencies for various markets including Amsterdam, London, Frankfurt, Zurich, and Tokyo.

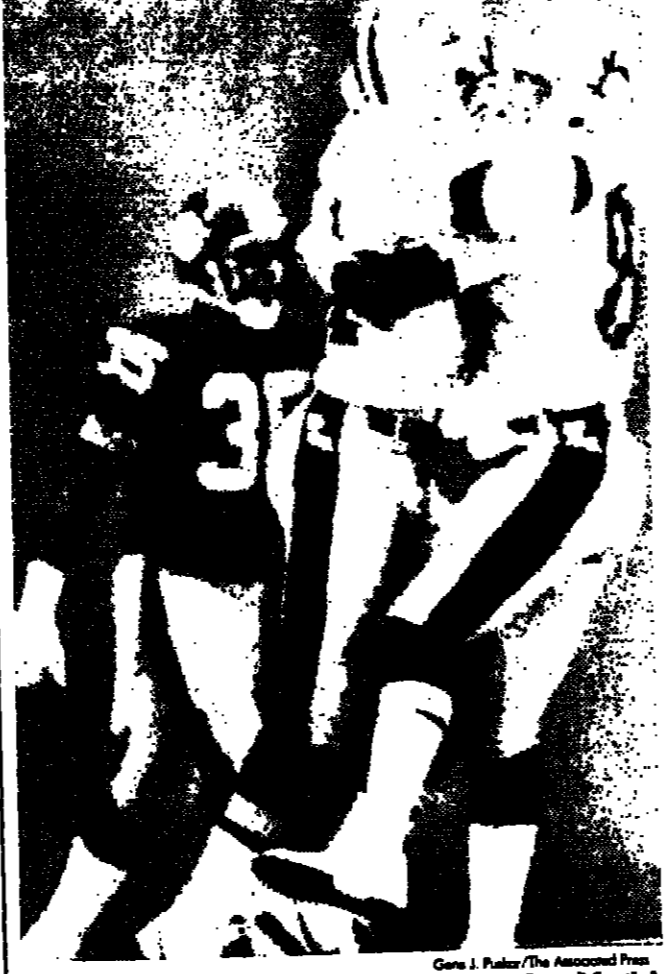
Table of stock prices for various companies and markets, including a section for 'The Global Newspaper'.

Handwritten signature or mark at the bottom center of the page.

SPORTS

Lendl Skins Cash in 'Stakes Match'

By Roy S. Johnson
New York Times Service
WEST PALM BEACH, Florida — From their grim expressions and animated, sometimes caustic, reactions to critical lapses and controversial line calls, one might have thought Ivan Lendl and Pat Cash were playing in the past.



Lonzell Hill, right, embraced Eric Martin after Martin's fourth-round touchdown reception guaranteed New Orleans its first winning season in the 21-year history of the franchise.

Elway, Broncos Bomb Chargers

Compiled by Our Staff From Dispatches
SAN DIEGO — The San Diego Chargers pulled out all the stops, but there was no stopping Denver quarterback John Elway. "We rushed him, dropped people off, changed our front, but he's tough against any team," Charger coach Al Saunders said of Elway, who threw for 347 yards and three touchdowns in the Broncos' 31-17 National Football League victory here Sunday.

Wachter Leads a Sweep By Austrians in Slalom

Compiled by Our Staff From Dispatches
COURMAYEUR, Italy — Anita Wachter led an unprecedented 1-2-3 sweep by the Austrian women's team in a World Cup slalom here Monday as last year's losers started off as this season's best performers. In gaining her first-ever cup victory, Wachter, 20, also gave Austria



Anita Wachter at Courmayeur.

Edmonton Defeats Toronto, 38-36, In a Wide-Open Game for CFL Title

The Associated Press
VANCOUVER, British Columbia — Henry Williams raced 115 yards with a missed field goal for the opening score and Jerry Kauric kicked a 49-yard field goal in the final minute as the Edmonton Eskimos edged the Toronto Argonauts, 38-36, Sunday to capture the 75th Grey Cup championship.

SCOREBOARD

Table with columns for Basketball, NBA Standings, U.S. College Standings, CFL Championship, and Sunday's Results.

Football

Table with columns for Big Eight Conference, SEC, Big Sky Conference, and Pacific-10 Conference.

Philippines' 1-Man Team Set for Olympic Games

By Michael Janofsky
New York Times Service
NEW YORK — It wasn't much more than a year ago that the final approval was granted, and the Philippines had itself a Winter Olympics team for the first time since 1972.

INTERNATIONAL CLASSIFIED

Advertisement for ESCORTS & GUIDES, listing various services and contact information for agencies like Zurich, Geneva, and London.

U.S. College Results

Table listing results for various U.S. college sports including basketball, football, and tennis.

NFL Standings

Table showing NFL Standings for the American Conference and National Conference.

Hockey

Table showing NHL Standings for the Wales Conference and Patrick Division.

World Cup Skiing

Table showing results for the Women's Slalom and Overall Standings in World Cup Skiing.

European Soccer

Table showing Spanish First Division results and other European soccer news.

Monday's Game

Table listing the details of Monday's game between the Los Angeles Raiders and the Seattle Seahawks.

Sunday's Results

Table listing the results of various sports events from Sunday.

Escorts & Guides

Advertisement for ESCORTS & GUIDES, listing services and contact information for agencies like Zurich, Geneva, and London.

ART BUCHWALD

Gorbachev's Itinerary

WASHINGTON — The White House is burning the midnight oil trying to put together an itinerary for Mikhail Gorbachev.



Jeep on the show and Vanna White gave him the keys. "I'd rather see him on the Phil Donahue show. It's more serious. Phil could ask what it's like to be Red rather than dead."

"Well, let's look into it. Now, we promised the Kremlin that Gorbachev would get TV exposure. What shows do we book him on?"

"We wouldn't let Khrushchev go to Disneyland, so why should we let Gorbachev. Best he attend a pro football game and let him see our fans in action. That should scare the hell out of the U.S.S.R."

Mitterand Inaugurates Arab Cultural Center

PARIS — The Institute of the Arab World, a Franco-Arab cultural endeavor, was inaugurated Monday by President François Mitterand.

The airy glass and steel structure on the left bank of the Seine melds modern Paris architecture with Arab forms and themes.

Zola Auction: Heirs Accuse

By Steven Greenhouse

PARIS — Emile Zola's famed newspaper exposé, "J'accuse," which defamed Captain Alfred Dreyfus against charges of treason, has once again become a cause célèbre — this time within the Zola family.

International Classified

REAL ESTATE FOR SALE MONACO Principality of Monaco UNIQUE SPILT-LEVEL APARTMENT WITH ROOFTOP

REAL ESTATE TO RENT/SHARE PARIS AREA FURNISHED ANEW WAY OF STATING IN PARIS The Claridge Residence FOR 1 WEEK OR MORE

EMPLOYMENT EXECUTIVES AVAILABLE DO YOU NEED AN AMBITIOUS YOUNG MAN? I have just graduated from Top Swiss university with degree in economics/management after a technical education.

INTERNATIONAL BUSINESS MESSAGE CENTER ATTENTION EXECUTIVES Publish your business message in the International Business Message Center, where more than a third of a million readers worldwide...

International Secretarial Positions SECRETARIAL POSITIONS AVAILABLE RANDSTAD urgently seeks perfectly bilingual ENGLISH-FRENCH PERSONAL ASSISTANT

INTERNATIONAL PLUS INTERNATIONAL Specialized temporary agency seeks bilingual and English mother tongue SECRETARIES

INTERNATIONAL BUSINESS MESSAGE CENTER ATTENTION EXECUTIVES Publish your business message in the International Business Message Center, where more than a third of a million readers worldwide...

International Classified REAL ESTATE FOR SALE MONACO Principality of Monaco UNIQUE SPILT-LEVEL APARTMENT WITH ROOFTOP

PEOPLE

Bings Fly Back to N.Y.

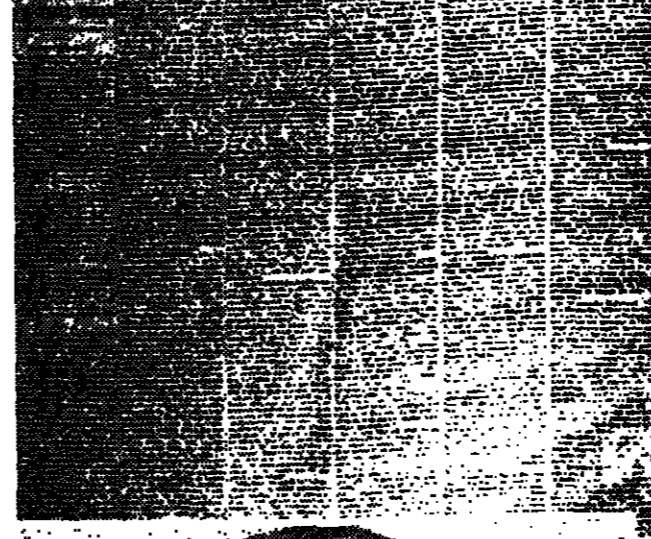
Sir Rudolf Bing, the 86-year-old former general manager of the Metropolitan Opera, and his wife, the former Carol Lee Douglas, 47, who fled the United States in Britain in April, boarded a New York-bound jetliner Monday at London's Heathrow Airport.

Qian won a national competition in China in 1984 and has been studying since 1985 at the Peabody Conservatory in Baltimore. She then went to Vasko Vassilev, a 17-year-old Bulgarian pupil at the Moscow central music school since 1981, and a 21-year-old Briton, Jonathan Aaron Stelow, from London, who now studies at the Juilliard School in New York, took third.

Former House Speaker Thomas P. (Tip) O'Neill Jr., recovering from rectal cancer surgery, was reported in good condition after a permanent colostomy performed last week. O'Neill, who still faces prostate surgery, has received visits and his spirits are good, according to a spokeswoman for Brigham and Women's Hospital in Boston.

Maya Plisetskaya, the grand dame of the Bolshoi Ballet in Moscow on Monday to take up new post as artistic director Spain's National Ballet. Plisetskaya, who continues to dance age 62, will spend six months in Spain and six months in a Soviet Union under a two-year contract. In a recent Soviet television documentary, Plisetskaya asked whether she would ever make any decisions if she could live life again, and replied: "Nis francs more in prize money. Zhou

L'Aurore J'accuse...! LE PRESIDENT DE LA REPUBLIQUE Par EMILE ZOLA



In his lawsuit, François Emile-Zola contends that his daughter does not have the right to sell the manuscript according to the will of his father, Jacques Emile-Zola, who was the author's son. The will, dated June 12, 1961, states, "I ask that the mementos left to me by my father and mother never be sold."

Emile Zola and his famous article.

An 18-year-old Chinese woman, Zhou Qian, took first prize, worth 60,000 francs (more than \$10,000), in the Marguerite Long-Jacques Thibaud competition in Paris, becoming the first from her country to do so since the competition's creation in 1949.

Maya Plisetskaya, the grand dame of the Bolshoi Ballet in Moscow on Monday to take up new post as artistic director Spain's National Ballet. Plisetskaya, who continues to dance age 62, will spend six months in Spain and six months in a Soviet Union under a two-year contract.